

L76Qcall

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

19 CR 366 (LGS)

5 STEPHEN M. CALK,

6 Defendant.

7 -----x  
8 New York, N.Y.  
9 July 6, 2021  
10 9:45 a.m.

11 Before:

12 HON. LORNA G. SCHOFIELD,

13 District Judge  
14 - and a Jury-

15 APPEARANCES

16 AUDREY STRAUSS

17 United States Attorney for the  
18 Southern District of New York

19 PAUL MONTELEONI

20 HAGAN SCOTTEN

21 ALEXANDRA ROTHMAN

22 KRAMER LEVIN NAFTALIS & FRANKEL

23 Attorneys for Defendant

24 BY: PAUL SCHOEMAN

25 DARREN LaVERNE

LOEB & LOEB

Attorneys for Defendant

BY: JEREMY MARGOLIS

L76Qcall

(Trial resumed; jury not present)

THE COURT: Good morning. You may be seated.

MR. SCOTTEN: Good morning.

MR. SCHOEMAN: Good morning.

THE COURT: I haven't counted, but I've received, I think, about ten letters from you all since yesterday afternoon, and I have looked at all of them.

Some of them I understand are pursuant to my rule that you should raise evidentiary issues at least two days before they come up in the trial, and so I appreciate that, and those primarily relate to defense exhibits and defense testimony. And I know there are letters from both sides regarding those issues.

There are also some issues though that relate to the government's case, and I looked at the letter from the government with the order of witnesses, and it looks like most of them are not critical because we're not going to get to any of those witnesses in the next hour and a half, or even perhaps today. But there were some things that I wanted to deal with just so that they're dealt with.

There is a letter from the defense which is Docket 243 and dated July 5 by which the defense offers a number of exhibits without objection from the government. So I'm going to admit those now, and they are Defense Exhibits 116, 118, 128, 130, 132, 143, 144, 168, 171, 171-A and 171-B and 171-C,

L76Qcall

1 175, 176, 177, 201, 205, 205-A, 212, 212-A, 221, and Government  
2 Exhibits 109, 187, 207, 210, 220, 238 and 243. There was also  
3 a note from the defense that it seeks to introduce into  
4 evidence Government Exhibit 177, and in particular the top  
5 email in the chain for non-hearsay purpose.

6 MR. LaVERNE: Your Honor, excuse me for interrupting.  
7 We've just spoken with the government a few minutes ago, and  
8 they've agreed no objection to GX-177 subject to a limiting  
9 instruction on hearsay.

10 THE COURT: So 177 is admitted. If you just remind me  
11 to give a limiting instruction at that time.

12 MR. LaVERNE: Thank you.

13 THE COURT: I just realized as I heard your muffled  
14 voice with your mask on that I have not brought my mask in, so  
15 I'm going to ask if somebody could go get my mask. Thank you.  
16 I thought it was remarkably comfortable up here.

17 (Off the record)

18 (Defendant's Exhibits Defense Exhibits 116, 118, 128,  
19 130, 132, 143, 144, 168, 171, 171-A and 171-B and 171-C, 175,  
20 176, 177, 201, 205, 205-A, 212, 212-A, 221 received in  
21 evidence)

22 (Government's Exhibits 109, 187, 207, 210, 220, 238  
23 and 243 received in evidence)

24 (Government's Exhibit 177 received in evidence)

25 THE COURT: So the next thing we need to deal with

L76Qcall

1 that arose in the past rather than in the future, that is the  
2 testimony of Mr. Gongaware and his testimony about the  
3 conversation with Mr. Calk at the beginning of his,  
4 Mr. Gongaware's, visit at the bank.

5 MR. SCOTTEN: Your Honor, sorry. Two things on that.  
6 If we could punt that one, Ms. Rothman was hoping to argue.  
7 That is her witness and she is not here.

8 Two, the parties would view the next thing we need to  
9 do before we start trial day is immunize Mr. Raico, who is  
10 waiting outside to be immunized. He's our first witness so he  
11 will go on immediately.

12 THE COURT: That's fine. If someone could pull up the  
13 order I signed regarding Mr. Raico, I'd appreciate that.

14 While we're waiting on Mr. Gongaware, I don't intend  
15 to hear argument, so I'm going to rule anyway. I have already  
16 ruled -- there was an objection made at trial. I overruled it.  
17 I think the testimony is fine for the reasons the government  
18 states, specifically that it goes to Mr. Calk's state of mind,  
19 and an inference can be drawn about what was happening in that  
20 exchange that the government argues; namely, that it goes to  
21 his state of mind and consciousness of guilt, and efforts to  
22 discourage the OCC from investigating the loans and perhaps  
23 thereby discovering the issues with the Manafort loan. There  
24 are obviously other inferences that can be drawn, but it seems  
25 to me that is a fair one and a fair argument, and so I am not

L76Qcall

1 going to strike it or change my ruling.

2 All right. So Mr. Raico.

3 MR. SCOTTEN: He's right outside, your Honor.

4 THE COURT: Mr. Raico, I'm going to ask the government  
5 to find you another mask before you testify in front of the  
6 jury. It's fine here and now, the jury is not here. But my  
7 general rule is nothing symbolic on your mask, and obviously  
8 there's a depiction of some sort on your mask. It's fine here,  
9 but if you exchange it for the other one when the jury comes  
10 in, you can come in, step into the witness box, you can take  
11 off your mask since there's a HEPA filter inside the box.

12 DENNIS RAICO, sworn.

13 BY MR. MONTELEONI:

14 Q. Good morning. What is your name?

15 A. Dennis Raico.

16 Q. Mr. Raico, were you involved in the extension of loans from  
17 The Federal Savings Bank to Paul Manafort?

18 A. Yes -- excuse me. On advice of counsel, I would like to  
19 invoke my Fifth Right Amendment not to testify.

20 Q. If I keep asking you questions about your involvement in  
21 extending loans to Paul Manafort, would you continue to follow  
22 the advice of counsel and invoke your privilege against  
23 self-incrimination?

24 A. Yes, sir.

25 MR. MONTELEONI: Your Honor, given the witness has

L76Qcall

1 refused to testify, we ask the Court give effect to Raico's  
2 immunity order which is currently marked for identification as  
3 Government Exhibit 1302 and then admitted in evidence.

4 THE COURT: I'm going to order that that previously  
5 signed order is effective because you've invoked your privilege  
6 against self-incrimination. And specifically what the order  
7 says is that you're required to give testimony under oath in  
8 this trial, and that none of that testimony or any information  
9 that is derived directly or indirectly from it may be used  
10 against you in this or any other proceeding, except a separate  
11 action for perjury or making a false statement. All right. Do  
12 you understand?

13 THE WITNESS: Yes, your Honor.

14 THE COURT: You may be excused until you're called.

15 (Witness not present)

16 MR. MONTELEONI: We ask that Government Exhibit 1302  
17 be admitted in evidence.

18 THE COURT: It's admitted.

19 MR. SCHOEMAN: No objection.

20 (Government's Exhibit 1302 received in evidence)

21 THE COURT: I think there is nothing else that is  
22 pressing. Is that right?

23 MR. MONTELEONI: That's right, your Honor. We think  
24 that the next one that's been the subject of letters that's  
25 likely to come up concerns Mr. Lemanski. I think it is

L76Qcall

1 possible we will get to that today, but it's likely there will  
2 be an intervening break before we do.

3 THE COURT: I had just one question about that, which  
4 is more of a logistical question. I, as we all know, that was  
5 not -- the request from the defense was not filed on the docket  
6 but rather was submitted under seal, and I received it by  
7 email, and the government's response is not under seal and is  
8 filed on the docket at Docket No. 244. So my question is, why  
9 is it under seal and are there things -- and remember we're on  
10 a public line -- but are there things I should avoid saying  
11 when we discuss it?

12 MR. MONTELEONI: No, your Honor. The defense  
13 proceeded pursuant to the confidentiality order under which the  
14 witness statements are designated as confidential, and there  
15 has to be either a conferral between the parties or some action  
16 by the Court before they can be filed publicly.

17 I think just due to the time of the filing it, we  
18 didn't confer before it was filed, but as we indicated in  
19 footnote three, we have no objection to the public filing of  
20 the defense letter. So from our perspective, it can be  
21 docketed.

22 THE COURT: Would you mind just filing it?

23 MR. LaVERNE: Of course, your Honor.

24 THE COURT: That's helpful for me to know also. Thank  
25 you.

L76Qcall

Raico - Direct

1           So, Mr. Raico is the next witness and there is no one  
2 or nothing before him. Is that right?

3           MR. MONTELEONI: That's exactly right.

4           THE COURT: So if you want to bring him back in, and  
5 then you will get the jury and swear him again in front of the  
6 jury. Thank you.

7           (Jury present)

8           THE COURT: Good morning, everyone. You may be  
9 seated. Welcome back. Hope you're refreshed and you had a  
10 great holiday weekend. We're ready to begin the trial again.

11           I'm going to ask the witness, you can take your mask  
12 off. You're in an enclosed booth with a HEPA filter. If you  
13 could, pull the mic up very close so we can all hear you. You  
14 can adjust it so it is as close as possible.

15           Mr. Street, swear the witness, please.

16           DENNIS RAICO,

17           called as a witness by the Government,

18           having been duly sworn, testified as follows:

19           DIRECT EXAMINATION

20           BY MR. MONTELEONI:

21           DEPUTY CLERK: Please state and spell your full name.

22           THE WITNESS: Dennis Raico. D-E-N-N-I-S. R-A-I-C-O.

23           BY MR. MONTELEONI:

24           Q. Good morning, Mr. Raico.

25           A. Good morning.



L76Qcall

Raico - Direct

1 Q. In 2016 were you employed?

2 A. Yes.

3 Q. Where did you work?

4 A. The Federal Savings Bank.

5 Q. Where was your office located?

6 A. 120 Broadway here in Manhattan.

7 Q. What did you do at The Federal Savings Bank's Manhattan  
8 office?

9 A. I was a loan officer.

10 Q. What does a loan officer do?

11 A. Looks to secure new business for the bank to make loans.

12 Q. How is a loan officer at The Federal Savings Bank paid?

13 A. A hundred percent commission.

14 Q. Did there come a time that you were involved in the bank  
15 making loans to Paul Manafort?

16 A. Yes.

17 Q. Ms. Drescher, could you please publish what's in evidence  
18 as Government Exhibit 1302.

19 Mr. Raico, do you recognize this document?

20 Could we turn to the second page, Ms. Drescher,  
21 please.

22 A. Yes.

23 Q. What is this document, to your understanding?

24 A. This looks like an immunity offer.

25 Q. Is this an order granting you immunity for your testimony

L76Qcall

Raico - Direct

1 here today?

2 A. Yes.

3 Q. What's your understanding of the purpose of this immunity  
4 order?

5 A. That as long as I tell the truth, nothing can be held  
6 against me.

7 Q. And even with this order compelling you to testify, can you  
8 still be prosecuted for any crimes you may have committed?

9 A. No.

10 Q. Well, let's break that down. Can you be prosecuted based  
11 on your testimony for any crime you may have committed?

12 A. Not on my testimony.

13 Q. Could you theoretically be prosecuted for other reasons?

14 A. Yes.

15 Q. Based on -- for crimes you may have committed?

16 A. Yes.

17 Q. Has anyone made you any promises about whether or not you  
18 will be prosecuted?

19 A. No.

20 Q. If you were not to tell the truth today, would this order  
21 protect you?

22 A. No.

23 Q. What could happen to you if you don't testify truthfully  
24 today?

25 A. I believe I could be prosecuted.

L76Qcall

Raico - Direct

1 Q. Now, were you involved in the bank making two loans to Paul  
2 Manafort?

3 A. Yes.

4 Q. What was your role in those loans?

5 A. I was the loan officer.

6 Q. How big were those loans in comparison to the other loans  
7 that you closed during the course of your time at The Federal  
8 Savings Bank?

9 A. They were fairly large.

10 Q. Were they the biggest?

11 A. Yes.

12 Q. In absolute terms, about how big were your commissions for  
13 these loans in comparison to your other commissions you  
14 received at The Federal Savings Bank?

15 A. They were large.

16 Q. Ms. Drescher, could you please publish Government Exhibit  
17 102.

18 Mr. Raico, directing your attention to the bottom  
19 email on the first page, who wrote this email?

20 A. I did.

21 Q. Where did the information that you're writing in this email  
22 come from?

23 A. Felix Katz.

24 Q. Where did it come from ultimately to your understanding?

25 A. The 1003 that was provided by the borrower.

L76Qcall

Raico - Direct

1 Q. Let's back up for a moment. Who is Felix Katz?

2 A. Pardon me, sir?

3 Q. Let's back up for a moment. Who is Felix Katz?

4 A. He is an individual that was referred to me through the  
5 Bank of Internet.

6 Q. Is he a mortgage broker?

7 A. Yes, he is.

8 Q. And how did you -- who from Bank of Internet put Mr. Katz  
9 in touch with you?

10 A. Anne DiCola.

11 Q. Who is Anne DiCola?

12 A. She was our account executive -- account representative.

13 Q. Now, you said that the information in this email ultimately  
14 you believe came from the 1003 prepared by the borrower.

15 What's a 1003?

16 A. It's a mortgage application.

17 Q. And in this case, who were -- who were the borrowers?

18 A. Mr. and Mrs. Manafort.

19 Q. So, directing your attention to the last sentence of the  
20 first paragraph, who is listed as the co-borrower here?

21 A. Mr. Manafort's son-in-law, Jeffrey Yohai.

22 Q. In this initial portfolio loan scenario that you're  
23 emailing here, was Mrs. Manafort involved in that?

24 A. No, I'm sorry, it was Mr. Manafort and Mr. Yohai.

25 Q. Scrolling down to the second page, if we could,

L76Qcall

Raico - Direct

1 Ms. Drescher.

2 What do these indications of files indicate was  
3 attached to your email?

4 A. A portfolio loan summary, which is a brief summary of the  
5 information given to me that I provide to Chicago; it looks  
6 like a mortgage application from Paul and Jeff -- Paul Manafort  
7 and Jeff Yohai; a credit report provided by Paul Manafort; and  
8 the summary of the initial project located at 391 Broadway.

9 Q. Ms. Drescher, could you please publish Government Exhibit  
10 103.

11 Mr. Raico, what is this document?

12 A. Looks like a meeting request for the Capital Grill meeting.

13 Q. Where it says "location -- Capital Grill near Steve's  
14 office," what is that?

15 A. That is the restaurant downstairs in the lobby.

16 Q. Downstairs in the lobby of what building?

17 A. I'm sorry, of our office building 120 Broadway.

18 Q. What's the date listed here?

19 A. May 10, 2016.

20 Q. So, if UTC was four hours ahead, would that act -- ahead of  
21 New York time, would that actually be May 9 in New York time?

22 A. Yes.

23 Q. Now, what loan does this meeting -- withdrawn.

24 What, if any, relationship does this calendar  
25 invitation have to the portfolio scenario we were just looking

L76Qcall

Raico - Direct

1 at?

2 A. This was pertaining to the initial portfolio scenario at  
3 391 Broadway.

4 Q. The one we just saw?

5 A. Correct.

6 Q. Who does it say had accepted the invitation in the subject  
7 line?

8 A. Mr. Calk, myself, Mr. Yohai and Mr. Manafort.

9 Q. In your time at The Federal Savings Bank, about how common  
10 was it for Mr. Calk to attend dinners with prospective  
11 borrowers in your experience?

12 A. Very rare in my experience.

13 Q. Had it ever happened before this?

14 A. No.

15 Q. Why was he invited to this one?

16 A. I'm not certain.

17 Q. Now, did Mr. Calk, in fact, end up attending the dinner?

18 A. Yes.

19 Q. Where did he sit at the dinner, at the Capital Grill?

20 A. At the head of the table.

21 Q. Who else was near him, if anyone?

22 A. Mr. Manafort.

23 Q. What happened at the dinner?

24 A. A lot of conversation.

25 Q. To what extent were you involved in any conversation

L76Qcall

Raico - Direct

1 Mr. Calk had at the dinner?

2 A. I was sitting too far away.

3 Q. What did you observe with respect to Mr. Calk at the  
4 dinner?

5 A. Mr. Calk and Mr. Manafort were sitting together at the head  
6 of the table and exchanged conversation.

7 Q. Now, besides the dinner, did you learn if anyone at the  
8 bank did anything to inspect this 3918 Broadway project that  
9 you had provided the loan scenario for?

10 A. Yes.

11 Q. What did you learn about that?

12 A. I believe Mr. Calk and Robert Jones went to inspect the  
13 property prior to dinner.

14 Q. What, if anything, did Mr. Calk say about that inspection?

15 A. I believe it was unfavorable. We were led to believe that  
16 the property was more than 50 percent complete, and it was my  
17 understanding that it was not close to 50 percent complete.

18 Q. And so what happened with this 391 Broadway project?

19 A. That project eventually fell through.

20 Q. How were things left with Mr. Manafort?

21 A. He had multiple properties in different stages of  
22 construction, and the idea was to take a look at some of the  
23 additional properties and see if there was potential financing  
24 for the future.

25 Q. This further look, that happened after the dinner over

L76Qcall

Raico - Direct

1 time?

2 A. Over time, yes.

3 Q. Would you have earned a commission had the bank made the  
4 391 Broadway loan?

5 A. Yes.

6 Q. How large would that commission have been approximately?

7 A. It would have been one percentage point.

8 Q. Do you remember about how big the 391 Broadway loan project  
9 was?

10 A. I don't offhand.

11 Q. Who made the decision not to make the loan when you say it  
12 fell through?

13 A. Eventually Mr. Calk.

14 Q. Ms. Drescher, could you please publish Government Exhibit  
15 105.

16 Mr. Raico, what does this document refer to?

17 A. This is a meeting that we had at 120 Broadway between  
18 myself, Mr. Manafort, Mr. Yohai in one of the conference rooms  
19 at 120 Broadway, and Mr. Calk videoconferenced in from Chicago,  
20 I believe.

21 Q. What is the date of this meeting?

22 A. July 27, 2016.

23 Q. In your experience at The Federal Savings Bank, about how  
24 common was it for Mr. Calk to attend meetings with borrowers?

25 A. It wasn't very common.



L76Qcall

Raico - Direct

1 Q. Apart from the dinner we just talked about, had it ever  
2 happened before?

3 A. No.

4 Q. Why was Mr. Calk invited to this meeting?

5 A. I don't recall.

6 Q. So did this meeting concern a loan proposal?

7 A. Yes.

8 Q. What was discussed about the loan proposal at this meeting?

9 A. This was another property located out in California.

10 Q. What happened at the end of the meeting?

11 A. So, at the end of the meeting, Mr. Calk had approached  
12 Mr. Manafort and said that he had served his country before and  
13 that he was interested in serving the Trump campaign, and if  
14 there is any room for him to do so, he would be honored.

15 Q. When you say that he approached Mr. Manafort, how did he do  
16 so if he was participating by videoconference?

17 A. He asked him directly through the video.

18 Q. What happened after Mr. Calk said that?

19 A. Mr. Manafort paused, looked around the room and said there  
20 may be a possibility of something coming up on the national  
21 economic advisory committee, and that he would get back to him.

22 Q. What did you observe about Mr. Calk's reaction to that?

23 A. He seemed to be happy.

24 Q. Ms. Drescher, could you please publish Government Exhibit  
25 111.

L76Qcall

Raico - Direct

1           Mr. Raico, directing your attention to the bottom  
2 email on the page where Mr. Manafort writes, "Need Steve Calk  
3 résumé, and could you please send me Steve's curriculum vitae."

4           Mr. Raico, what did you do upon receiving this  
5 request?

6 A. I reached out to Mr. Calk and told him that Mr. Manafort  
7 was looking for his résumé.

8 Q. Could I ask one of my colleagues to present to the witness  
9 the documents marked for identification as Government Exhibits  
10 51-A and 51-B, portions of which are in evidence.

11           Mr. Raico, in front of you are Government Exhibits  
12 51-A and B. Do you recognize these items?

13 A. Yes.

14 Q. What are they?

15 A. They're my notebooks.

16 Q. How are they marked on the outside?

17 A. The Federal Savings Bank embossed in the leather logo.

18 Q. How did you get these notebooks with The Federal Savings  
19 Bank embossed logo?

20 A. I ordered them through the marketing department.

21 Q. Where did you keep them?

22 A. On me or in my briefcase.

23 Q. What did you use these notebooks for?

24 A. Taking notes.

25 Q. What types of things would you typically take notes on in

L76Qcall

Raico - Direct

1 these notebooks?

2 A. Business occurrences on a daily basis.

3 Q. Ms. Drescher, could you please publish what's in evidence  
4 as Government Exhibit 51-1.

5 Mr. Raico, what is this document?

6 A. This is an excerpt from my notebook.

7 Q. Now, on the left side could you please read in the middle  
8 of the page the line with the date?

9 A. Wednesday, August 3, 2016.

10 Q. Please read the entry on the right about four lines down  
11 starting with "Paul."

12 A. "Paul Manafort requesting Steve's curriculum vitae résumé."

13 Q. When did you write this down Mr. Raico?

14 A. On August 3, 2016.

15 Q. Why did you write it down?

16 A. Because it was something that happened on that day that I  
17 believe I needed to follow up with.

18 Q. About how many times had a borrower ever asked you for  
19 Mr. Calk's résumé before?

20 A. Never.

21 Q. Ms. Drescher, could you please publish Government Exhibit  
22 112.

23 Mr. Raico, you mentioned a moment ago that you made  
24 that notebook entry on August 3. Directing your attention to  
25 the bottom of the page, what's the date on that email?

L76Qcall

Raico - Direct

1 A. August 4, 2016.

2 Q. What did you understand Mr. Manafort to be doing in this  
3 bottom email?

4 A. Looking to see if I had sent Steve's résumé.

5 Q. Turning to the top of the page, what did you tell him about  
6 Mr. Calk's résumé?

7 A. I'm apologizing for the delay and letting him know that it  
8 should be coming shortly.

9 Q. What, if any, conversation did you have with Mr. Calk  
10 leading up to you sending this?

11 A. I spoke with Mr. Calk, and he said that he would send it  
12 directly.

13 Q. Do you know whether Mr. Calk ever sent Mr. Manafort his  
14 résumé?

15 A. I don't.

16 Q. Now, Mr. Raico, we looked a few minutes ago at a calendar  
17 invite for a meeting on a loan which you described about a  
18 California property in late July. What happened with that  
19 proposed loan in August and September in general terms?

20 A. I'm sorry. Can you say that again?

21 Q. In late July, you just testified there was a meeting about  
22 a loan on a California property. What happened with that loan  
23 in August and September? What was the next stage?

24 A. It was approved.

25 Q. What happens after the loan is approved?

L76Qcall

Raico - Direct

1 A. Certain documentation is gathered.

2 Q. What's the name for that process?

3 A. Gathering documentation?

4 Q. What's the documentation used for?

5 THE COURT: Could you just keep your voice up? I had  
6 trouble hearing that.

7 A. Could you say that again, sir?

8 Q. What, to your information, is the document gathered used  
9 for?

10 A. Documentation is sent in to Chicago, and the credit  
11 committee evaluates and makes a decision on the loan.

12 Q. Do underwriters look at it before it goes to the credit  
13 committee?

14 A. Yes.

15 Q. In general terms, how did the underwriting process of this  
16 proposed loan go to your memory?

17 A. It was long, confusing, convoluted, quite labor intensive.

18 Q. Why?

19 A. Lot of documentation, lot of hurdles, just a lot of  
20 activity that I hadn't seen quite so much in other portfolio  
21 loans.

22 Q. What kind of hurdles?

23 A. Income, appraisals, just many issues came to surface.

24 Q. Ms. Drescher, could you please publish Government Exhibit  
25 181, second page.

L76Qcall

Raico - Direct

1 Directing your attention to this bottom email on this  
2 chain, who did Paul Manafort write this email to?

3 A. It appears to be Mr. Calk.

4 Q. Did you ultimately get included on this chain, do you  
5 recall? We can -- Ms. Drescher, if you can just go to the top  
6 email.

7 A. Yes.

8 Q. All right. So going back down to the bottom email on this  
9 chain, when did Mr. Manafort send this email?

10 A. On October 7, 2016.

11 Q. In this bottom email from Mr. Manafort to Mr. Calk, where  
12 Mr. Manafort writes, "We are getting close to closing the loan  
13 but there is a major issue. I don't know how to resolve this  
14 problem. When we had lunch, I must have had a blackout. I  
15 told you that there is a 2.5 M first on the Bridgehampton  
16 property. I meant to say a 3.5 M first."

17 I have a couple questions about that. First of all,  
18 do you have any understanding what he was talking about when he  
19 said "when we had lunch"?

20 A. No, I didn't. No.

21 Q. Did you understand that Mr. Manafort and Mr. Calk had had  
22 lunch on this loan?

23 A. I did after the fact, yes.

24 Q. All right. Now, when he says, "I must have had a blackout.  
25 I told you that there was a 2.58 M first on the Bridgehampton

L76Qcall

Raico - Direct

1 property, I meant to say a 3.5 M first."

2 First, what did you understand him to mean?

3 A. When we were looking to get the payoff on the existing  
4 loan, we were told it was \$2 and a half million, when in  
5 reality there was an extra million dollars outstanding on the  
6 balance.

7 Q. So, about how common an issue has this been in your  
8 experience for a borrower to understate the amount of a recent  
9 prior loan by a million dollars?

10 A. That's uncommon.

11 Q. Had that ever happened before you to you?

12 A. Not to me.

13 Q. Now, in this email, what is Mr. Manafort requesting to  
14 address the problem?

15 A. He is -- it appears as he is looking to Steve to, he says,  
16 "I look to your cleverness on how to manage the underwriting."

17 Q. First of all, about how common in your experience was it  
18 for a borrower to tell you or to tell bank people that the  
19 borrower is looking to their cleverness to manage the  
20 underwriting?

21 A. Not very common.

22 Q. At the top of that paragraph where he says, "If we can do  
23 the loan for 3.5 M", what does that reflect about his request  
24 for the loan amount?

25 A. It appears as though he's saying that he could repay the

L76Qcall

Raico - Direct

1 difference in six months.

2 Q. But before those six months, is he asking for the extra  
3 million?

4 A. Yes.

5 Q. Ms. Drescher, could you please take us to the first page.  
6 Directing your attention to the bottom of the first page, who  
7 did Mr. Calk write this email to?

8 A. Mr. Manafort.

9 Q. All right. You are not listed in the to or the cc. line,  
10 but you appear later in the chain. How did you get this, do  
11 you think?

12 A. I believe I was blind copied on this at a later date.

13 Q. So when he writes, "If I can do this, we will be required  
14 to take the Virginia property due to the increase in loan  
15 amount and the low appraisal on the Hampton property," what did  
16 you understand him to mean?

17 A. That we were looking to take additional collateral.

18 Q. Now, could you please note the date, first of all, of  
19 Mr. Calk's email?

20 A. October 7, 2016.

21 Q. And could we go to the top email, please. So where you  
22 respond, what's the date of your response?

23 A. October 7, 2016.

24 Q. So where you write, "We are already positioned to take the  
25 VA property as the Hampton property just appraised for



L76Qcall

Raico - Direct

1 14 million," what did you mean?

2 A. We already had the Virginia property in the transaction as  
3 a piece of collateral already.

4 Q. So would including it in the next transaction be adding any  
5 collateral to deal with this extra million dollars?

6 A. I'm sorry, say that again.

7 Q. So, according to what you're telling him, the Virginia  
8 property is already in the transaction, would including it in  
9 the transaction add any collateral to deal with the extra  
10 million dollars request?

11 A. No, it was already there.

12 Q. Who did you send this to?

13 A. Who did I send it to?

14 Q. Who did you send that top email to?

15 A. Mr. Calk.

16 Q. Did there come a time when this California property that  
17 was the subject of the July meeting got removed from the loan?

18 A. Yes.

19 Q. Ms. Drescher, could you please publish Government Exhibit  
20 206.

21 Directing your attention to the bottom of the first  
22 page, top of the second page, this bottom email from Javier  
23 Ubarri, when did Mr. Ubarri send this to you?

24 A. On October 20, 2016.

25 Q. Could you please summarize what you understood Mr. Ubarri

L76Qcall

Raico - Direct

1 to be saying to you, in essence?

2 A. To my recollection, I believe Mr. Ubarri, after going  
3 through the loan, he was looking to potentially take a pass.

4 Q. When you say going through the loan, was this a new request  
5 for Mr. Manafort?

6 A. Yes.

7 Q. So what was your reaction to this email in which Mr. Ubarri  
8 said that he was going to take a pass on this new requested  
9 loan?

10 A. I believe I had already talked with Mr. Calk, and that he  
11 was looking to move forward.

12 Q. Before your conversation with Mr. Calk though, if --  
13 leaving aside -- leaving that aside, if the bank had taken a  
14 pass on this loan, what effect would that have had on your  
15 commission?

16 A. I wouldn't have got a commission.

17 Q. So now directing your attention to the top email, you write  
18 in the second sentence, "I'm not sure if Jim mentioned, but I  
19 engaged our friends over with B of I, and they seem to have  
20 some significant interest in Paul's proposal." What did you  
21 mean?

22 A. We spoke with some of the contact people over at Bank of  
23 Internet, and they had some interest in looking at the  
24 transaction.

25 Q. If they had engaged in the transaction, what would their

L76Qcall

Raico - Direct

1 role have been?

2 A. Broker.

3 Q. So who would be the broker in this situation? If you're  
4 passing it to B of I, who is acting as the broker?

5 A. We would broker it out to Bank of Internet.

6 Q. So if you brokered the loan to Bank of Internet and Bank of  
7 Internet accepted, who would bear the risk of the loan?

8 A. Bank of Internet.

9 Q. If you brokered the loan out to Bank of Internet and Bank  
10 of Internet accepted, what, if any, compensation would you  
11 make?

12 A. The smaller compensation.

13 Q. But you would have gotten some compensation for that?

14 A. Yes.

15 Q. Now, where you write, "Steve had called earlier this  
16 morning, and I informed him as well. He seemed to be  
17 relatively pleased considering the process we have endured thus  
18 far." What did you mean?

19 A. That we made contact with Bank of Internet, and the  
20 transaction still kept moving along.

21 Q. Is this the conversation with Mr. Calk you were referring  
22 to a minute or two ago?

23 A. Yes.

24 Q. Ms. Drescher, could you please publish Government Exhibit  
25 213.

L76Qcall

Raico - Direct

1           Mr. Raico, directing your attention to the bottom  
2 email where you write, "pursuant to your message, thought you  
3 may want a quick reference regarding the meeting we had with  
4 Paul/Jeff, regarding their requested properties for financing."  
5 Why were you writing Mr. Calk this update?

6 A. A number of transactions had come up during the meeting,  
7 and I was trying to give a brief summation.

8 Q. Now, going up to the top email, directing your attention to  
9 Mr. Calk's response where he writes, "Can you call me over the  
10 weekend to review?" In general for loans, other than the  
11 Manafort loans, about how common was it for you to talk to  
12 Mr. Calk outside of business hours?

13 A. Not very common.

14 Q. About how common was it for you to talk to Mr. Calk about  
15 the Manafort loans outside of business hours?

16 A. Much more common.

17 Q. Ms. Drescher, could you please publish Government Exhibit  
18 218.

19           Mr. Raico, directing your attention to this email at  
20 the top of the page were you writing to Amanda Sparks, Vanessa  
21 Bartholomew and Erin Devaney. Who is Amanda Sparks?

22 A. They were part of the operations team in Maryland.

23 Q. Have you heard of the term pre-underwriting?

24 A. Yes.

25 Q. What is pre-underwriting?

L76Qcall

Raico - Direct

1 A. Well, for a loan to go over to Bank of Internet, they were  
2 going to do their own full due diligence on their own accord,  
3 but we still needed to do some pre-underwriting beforehand and  
4 send it over.

5 Q. And who was in charge of the pre-underwriting in the case  
6 of the Manafort loans? Was that Amanda Sparks?

7 A. Actually, all -- a combination of the three of them, the  
8 Maryland team.

9 Q. All right. So where you write -- backing up, is this  
10 conversation in the context of getting the pre-underwriting  
11 done for this loan?

12 A. Yes.

13 Q. So where you write, "I'm just getting a little pressure  
14 from Steve Calk as we flipped this out of portfolio into a  
15 potential submission to B of I." Why did you write that?

16 A. Because he was thoroughly involved with these files, and  
17 when he called, you needed to move.

18 Q. Do you recall specifically whether you had actually gotten  
19 any pressure from Mr. Calk on this stage?

20 A. Directly I'm not sure of this particular email.

21 Q. Why would you have said this to them if you hadn't actually  
22 gotten pressure from Mr. Calk about this?

23 A. To move this file along.

24 Q. So about how often would you tell other staffers at the  
25 bank that you might be getting pressure from Mr. Calk to move

L76Qcall

Raico - Direct

1 the file along if it hadn't happened?

2 A. On occasion.

3 Q. Ms. Drescher, could you please publish Defense Exhibit 175,  
4 which is in evidence? Could we please publish the fifth page.

5 Looking at the fifth page to Mr. Brennan's email in  
6 about the top half of the page where Mr. Brennan asks, "Get me  
7 the field review, and see if there is enough information, but  
8 when will the full appraisal be completed?" What property was  
9 he asking for the appraisal on?

10 A. I believe this one was the Hamptons property.

11 Q. Do you recall how many appraisals there were on the  
12 Hamptons property?

13 A. Eventually three.

14 Q. At this time, do you remember what number appraisal he was  
15 asking about?

16 A. I think there was -- this was -- I believe this may have  
17 been the second appraisal.

18 Q. So now turning to the next page, where you responded to  
19 Mr. Brennan, and others, and wrote "It appears as though my  
20 former MBA (Anna) ordered the second appraisal through a  
21 different AMC." First of all, what does MBA stand for?

22 A. Mortgage banker assistant.

23 Q. When you say Anna, what is the name of that mortgage  
24 assistant you're referring to?

25 A. Anna Ivakhnik.

L76Qcall

Raico - Direct

1 Q. When you wrote that Anna Ivakhnik ordered a second  
2 appraisal through a different AMC, what does that stand for?

3 A. Appraisal management company.

4 Q. You were saying here that she had ordered the second  
5 appraisal through a different company than the first?

6 A. Yes.

7 Q. Where you write, "We couldn't find appraisal she ordered,  
8 thus scrambled for Sam Heskel at Nadlan to have another  
9 appraiser perform the second." Mr. Raico, was that true?

10 A. No.

11 Q. Was it true that Anna Ivakhnik had actually ordered the  
12 second appraisal through a different appraisal management  
13 company?

14 A. No.

15 Q. Directing your attention to the third page, bottom of the  
16 page where you wrote, "Anna was terminated a few weeks ago.  
17 The mishandling of this second appraisal was one of the several  
18 reasons corporate decided to terminate."

19 Mr. Raico, was that true?

20 A. That was not accurate.

21 Q. Ms. Drescher, could you please publish Government Exhibit  
22 273. So you previously described trying to broker the loan to  
23 B of I. In this email, around the middle of the email, where  
24 you wrote, "That said, Steve Calk stepped in and we ended up  
25 closing this in portfolio on November 16 or on 11/16/16."

L76Qcall

Raico - Direct

1 What did it mean to close the loan in portfolio?

2 A. I'm sorry, sir?

3 Q. What did it mean we closed the loan in portfolio?

4 A. It was on the bank's books. It was not a brokered out  
5 transaction.

6 THE COURT: It was not a what? I'm having trouble  
7 hearing you. If you could pull the mic up and stand it up a  
8 little bit. It bends, so bend it so it is close to you. Thank  
9 you.

10 A. It was not a brokered out transaction. It was a bank loan.

11 Q. So which bank bore the risk of the Bridgehampton loan?

12 A. The Federal Savings Bank.

13 Q. When you wrote, "Steve then hopped on a plane and sat with  
14 the CEO of B of I the next day. They agreed that B of I would  
15 take this loan out of our portfolio and on to their books."

16 Who did you mean by Steve?

17 A. Mr. Calk.

18 Q. How did you know that he sat with the CEO of B of I about  
19 this loan?

20 A. He told me he was doing so.

21 Q. I want to talk about something that happened a few days  
22 before you ended up closing this in portfolio on 11/16/16.

23 Ms. Drescher, could you please publish Government  
24 Exhibit 51-2.

25 Mr. Raico, directing your attention to the top right,



L76Qcall

Raico - Direct

1 under the date Friday, 11/11/16, could you please read the next  
2 bullet point.

3 A. Sure. "Steve: Trump executive council, secretary of the  
4 treasury. Check with Paul."

5 Q. What led up to your writing that?

6 A. Steve had placed a phone call to me and said that he had  
7 not heard from Mr. Manafort in a day or two and had asked if I  
8 would reach out to Paul and see if he was up for secretary of  
9 the treasury or secretary of HUD.

10 Q. So what exactly did Mr. Calk want you to ask Mr. Manafort?

11 A. If he was in the running for one of those positions.

12 Q. If who was in the running for --

13 A. I'm sorry, if Mr. Calk was in the running for one of those  
14 positions.

15 Q. What did you do in reaction to Mr. Calk asking you to ask  
16 Mr. Manafort if Mr. Calk was in consideration for secretary of  
17 the treasury or secretary of HUD?

18 A. I did not make that phone call.

19 Q. By the way, prior to Mr. Calk making this request, were you  
20 aware of whether or not he had had any direct contact with  
21 Mr. Manafort himself?

22 A. No.

23 Q. Well, had he told you that he was meeting with Mr. Manafort  
24 in the past?

25 A. I know that they had meetings on their own accord, but I

L76Qcall

Raico - Direct

1 didn't have an exact schedule.

2 Q. Now, where were you when you wrote this down?

3 A. I don't recall specifically.

4 Q. You said that Mr. Calk made this request during a phone  
5 call. When did you write this compared to when the phone call  
6 happened?

7 A. I believe shortly after the phone call occurred.

8 Q. Why did you write this down in your journal?

9 A. It was bizarre, unique. I hadn't seen a request like this  
10 before.

11 Q. You said you didn't make the call. Why didn't you make the  
12 call?

13 A. It made me uncomfortable.

14 Q. Now, did the \$9.5 million loan ultimately close?

15 A. Yes.

16 Q. After that, did Manafort seek more loans?

17 A. Yes.

18 Q. Ms. Drescher, could you please publish what's in evidence  
19 as Defense Exhibit 205.

20 Mr. Raico, when did you send this top email?

21 A. November 21, 2016.

22 Q. Who were you sending this to?

23 A. Anne DiCola at the Bank of Internet and Vanessa  
24 Bartholomew.

25 Q. So what were you sending to Anne DiCola?

L76Qcall

Raico - Direct

1 A. A revision of the portfolio loan summary.

2 Q. Is this -- were this described as a cover sheet, is that  
3 the same thing as the portfolio loan summary for Federal  
4 Savings Bank loan?

5 A. Yes, it's just a synopsis.

6 Q. Is it the same form as Federal Savings Bank uses or is it a  
7 Bank of Internet form?

8 A. I believe there's an actual form that the Bank of Internet  
9 uses on their letterhead.

10 Q. Now, if this loan had already closed by this point, why are  
11 you sending things about it to B of I?

12 A. Because I was asked to.

13 Q. What were you seeking to have B of I do?

14 A. From what I understand, take it off the books of The  
15 Federal Savings Bank and sell it to Bank of Internet.

16 Q. When you say you were asked to, who were you asked to do  
17 this by?

18 A. Steve, Mr. Calk.

19 Q. And what did you understand was the purpose of selling it  
20 to Bank of Internet?

21 A. To alleviate risk.

22 Q. Mr. Raico, have you heard of the term legal lending limit?

23 A. Yes.

24 Q. What is a legal lending limit?

25 A. I believe it's a bank's capacity to extend a single loan

L76Qcall

Raico - Direct

1 amount.

2 Q. When you say extend a single loan amount, what does that  
3 refer to?

4 A. The loan amount, the maximum loan amount that you can  
5 extend to a single borrower.

6 Q. So what, if any, significance would it have for the legal  
7 lending limit if you were able to sell this loan to B of I?

8 A. I believe if they took it off our books, we would have a  
9 greater capacity to lend loans.

10 Q. Were you at this time considering extending a second loan  
11 to Manafort?

12 A. Yes.

13 Q. Ms. Drescher, could you please publish the attachment to  
14 this email, Government Exhibit 205-A or Defense Exhibit rather  
15 205-A, Mr. Raico what is this document?

16 A. It's a submission summary.

17 Q. Is this a cover sheet for Bank of Internet we were just  
18 talking about?

19 A. Yes.

20 Q. Now, directing your attention to item 4, explanation for  
21 any credit weaknesses. When you write excellent credit, who  
22 were you telling Bank of Internet had excellent credit?

23 A. Mr. Manafort.

24 Q. Was that true?

25 A. I don't believe so.

L76Qcall

Raico - Direct

1 Q. Ms. Drescher, could you please publish Government Exhibit  
2 282.

3 Directing your attention to the bottom half of the  
4 first page, the email that you sent to Steve Calk, what day did  
5 you send this?

6 A. December 7, 2016.

7 Q. Where you write, "I spent some time speaking with Anne,  
8 Darren and Kevin (underwriter) this evening." What company do  
9 those individuals all work for?

10 A. Bank of Internet.

11 Q. When you write, "Their senior credit officer still wants to  
12 consider an asset pledge," what did you mean?

13 A. They wanted Mr. Manafort to pledge assets to the bank as  
14 well.

15 Q. What does pledging assets mean?

16 A. Putting a lump sum of money into the bank.

17 Q. And in this case, which bank did the Bank of Internet  
18 people want him to put assets into?

19 A. Into their bank, the Bank of Internet.

20 Q. Where you write, "Darren's suggestion was for you and Greg  
21 to have a CEO-to-CEO conversation as there isn't anyone in the  
22 B of I chain of command that has the power to move the needle."

23 What did you mean?

24 A. Well, their executive vice-president had said in order for  
25 us to consider this transaction and to keep moving it, that

L76Qcall

Raico - Direct

1 probably the CEO of his bank and the CEO of my bank should have  
2 a conversation.

3 Q. Who was Greg?

4 A. I believe Greg Garrabrants was the CEO of Bank of Internet.

5 Q. And just to recap something that we said before, what  
6 impact would Bank of Internet buying this first loan have on  
7 your ability to extend a second loan?

8 A. I believe it would have cleared a little bit of way for us  
9 to extend more money to Mr. Manafort.

10 Q. Turning to the top email where Mr. Calk writes to you, "I  
11 still do not understand your plan to get Manafort's next loan  
12 approved and closed. What is your plan?" Who had the  
13 authority to approve portfolio loans?

14 A. The credit committee.

15 Q. Were you on the credit committee?

16 A. No.

17 Q. Was Mr. Calk?

18 A. Yes.

19 Q. Now, you've testified just now about trying to sell this  
20 \$9.5 million to B of I. Did B of I ultimately agree to buy  
21 that loan?

22 A. No.

23 Q. Did the \$6.5 million second loan ultimately close?

24 A. Yes.

25 Q. Ms. Drescher, could you please publish Government Exhibit

L76Qcall

Raico - Direct

1 51-4.

2 So, on the left side of this page, looking at the  
3 bullet starting "Steve on the bottom left," what date was that  
4 entry made?

5 A. December 22, 2016.

6 Q. Could you please read the first line starting with the  
7 Steve?

8 A. "Steve, we are doing \$6.5 million reference to Steve saying  
9 we are doing 6.5 million construction to perm. loan in Carroll  
10 Gardens for Mr. Manafort."

11 Q. Who did you mean when you wrote "Steve"?

12 A. Mr. Calk.

13 Q. What did you mean by writing a colon after the word Steve  
14 there?

15 A. That's what he was saying.

16 Q. And so what did it -- what did what Mr. Calk telling you  
17 mean?

18 A. That we were moving forward with the loan in Carroll  
19 Gardens.

20 Q. When did you write this down compared to when Mr. Calk said  
21 that?

22 A. Shortly thereafter.

23 Q. Could you please read the last three bullets under the  
24 Steve heading starting with "issued"?

25 A. "Issued new term sheet. Received permission from Paul to

L76Qcall

Raico - Direct

1 withdraw the app. fee two points. Steve said we are moving  
2 capital around the holding company."

3 Q. Who told you the information that led to you writing this  
4 down?

5 A. Mr. Calk.

6 Q. What did "issued new term sheet" mean?

7 A. I believe Steve was issuing a new term sheet.

8 Q. Does Mr. Calk typically personally issue term sheets for  
9 loans in your experience?

10 A. Not in my experience.

11 Q. What did "received permission from Paul to w/d the app. fee  
12 two points" mean?

13 A. I believe that Mr. Manafort must have told Mr. Calk that he  
14 could take the two points app. fee out of the money that he  
15 already had with the bank.

16 Q. So, first of all, is Mr. Calk usually involved in your  
17 experience in securing a borrower's permission to withdraw fees  
18 from an account?

19 A. Not to my knowledge.

20 Q. All right. Now, what were the standard application fees  
21 that The Federal Savings Bank charged on portfolio loans  
22 typically?

23 A. Either two or three points.

24 Q. About how many of your loans have two point fees versus  
25 three point fees?



L76Qcall

Raico - Direct

1 A. My loans personally are almost all three points.

2 Q. So, if two points were paid in fees on this second loan,  
3 how does that compare to the usual amount of fees that your  
4 loans collect from the borrower?

5 A. Like I said, I generally collect three points on my loans.  
6 This looks like it's starting to be a two point loan.

7 Q. And what did you understand -- when Steve said, "We are  
8 moving capital around the holding company," what did you  
9 understand him to mean?

10 A. I simply wrote down what he said. I didn't quite  
11 understand what he was talking about.

12 Q. Ms. Drescher, could you please publish Defense Exhibit 118,  
13 which is in evidence.

14 Directing your attention to the email at the bottom of  
15 the first page where Thomas Horn writes, "Financial? Any  
16 updates?" What did you understand Mr. Horn to be asking for?

17 A. I believe he was looking for an updated P and L.

18 Q. What is a P and L?

19 A. Profit and loss statement.

20 Q. For who?

21 A. Mr. Manafort.

22 Q. Turning to your response at the top of the page, directing  
23 your attention to where you say, "I will check again with Cindy  
24 and Heather on the financials." Mr. Raico, by that point did  
25 you already have the financials?

L76Qcall

Raico - Direct

1 A. I had.

2 Q. If you already had the financials, why didn't you tell  
3 Mr. Horn?

4 A. I wasn't being forthcoming with Mr. Horn at that point.

5 Q. Did there ultimately come a time when you were approached  
6 by the FBI?

7 A. Yes.

8 Q. About when was that?

9 A. That was, I believe, June of 2017.

10 Q. When they showed up, what, if anything, did you think that  
11 they were there for?

12 A. I could only assume they were there for something regarding  
13 Mr. Manafort.

14 Q. Why was that?

15 MR. SCHOEMAN: Objection. Relevance.

16 THE COURT: Sustained.

17 Q. Where were you working at the time that the FBI approached  
18 you?

19 A. The Federal Savings Bank.

20 Q. Who was the chairman The Federal Savings Bank at that time?

21 A. Mr. Calk.

22 Q. When the FBI asked you questions, do you remember exactly  
23 what you told them?

24 A. Not specifically.

25 Q. Do you think you were entirely candid and forthcoming in

L76Qcall

Raico - Direct

1 your answers to the FBI?

2 A. Not completely.

3 Q. Why not?

4 A. I was attempting to tread a line between answering the  
5 agent's questions and attempting to protect my boss's boss's  
6 boss, Mr. Calk.

7 Q. Were you also trying to protect yourself?

8 A. Yes.

9 Q. I want to go back to the loans. Did this \$6.5 million loan  
10 eventually close?

11 A. Yes.

12 Q. Did you get a commission?

13 A. Yes.

14 Q. Did you get a commission on the first one, by the way?

15 A. Yes.

16 Q. I want to go back in time to right before the loans closed.

17 Ms. Drescher, could you please publish Government  
18 Exhibit 51-5.

19 Directing your attention first to the first page,  
20 what's the date on this first page of Government Exhibit 51-5?

21 A. December 28, 2016.

22 Q. Now, directing your attention to page 2 of Government  
23 Exhibit 51-5, is this the next page in the journal?

24 A. I believe so.

25 Q. So what -- if the last date on the previous page was

L76Qcall

Raico - Direct

1 December 28, what day did you make the notes that appear on  
2 this page in red ink?

3 A. Either the same day or shortly thereafter.

4 Q. Mr. Raico, could you please read the second bullet on the  
5 left side of the page starting "Steve on Paul"?

6 A. "Steve on Paul. He is influential with other people and a  
7 few other situations at hand."

8 Q. Sir, when you write that, who is Steve?

9 A. Mr. Calk.

10 Q. Who was Paul?

11 A. Mr. Manafort.

12 Q. Where you have quotation marks around the phrase "He is  
13 influential w/ other people and a few other situations at  
14 hand," what do those quotation marks mean?

15 A. That's what he said verbatim.

16 Q. When did you write this down compared to when Mr. Calk said  
17 that?

18 A. I would believe shortly thereafter.

19 Q. How closely does -- withdrawn.

20 Why did you write this down?

21 A. It was unique.

22 Q. Did you know what Mr. Calk meant when he said Manafort was  
23 influential with other people and a few other situations at  
24 hand?

25 A. No.

L76Qcall

Raico - Cross

1 Q. Did you ask Mr. Calk what he meant when he said that?

2 A. No. No, I did not.

3 Q. Why not?

4 A. I didn't want to know.

5 Q. In your time at The Federal Savings Bank, apart from the  
6 Manafort loans, about how many times was Mr. Calk personally  
7 involved in advancing a loan of yours?

8 A. I'm sorry. In advancing?

9 Q. In moving a loan of yours forward?

10 A. Not common.

11 Q. In your time at The Federal Savings Bank, apart from the  
12 Manafort loans, about how many times did Mr. Calk ask you to  
13 ask a borrower if Mr. Calk was being considered for another  
14 job?

15 A. Never.

16 MR. MONTELEONI: No further questions.

17 THE COURT: Mr. Schoeman, you may proceed whenever  
18 you're ready.

19 MR. SCHOEMAN: Thank you, your Honor.

20 CROSS-EXAMINATION

21 BY MR. SCHOEMAN:

22 Q. Mr. Raico, can you hear me?

23 A. Yes.

24 Q. We've never met before. Is that right?

25 A. That is correct.

L76Qcall

Raico - Cross

1 Q. When you were working on the Manafort loans at The Federal  
2 Savings Bank, was Anna Ivakhnik assisting you?

3 A. At one point, yes.

4 Q. She have an opportunity to observe you in action?

5 A. I believe so.

6 Q. Isn't it true, Mr. Raico that you did everything you could  
7 to push the Manafort loans forward. Isn't that true?

8 A. Within reason.

9 Q. Well, you altered emails in order to push the Manafort  
10 loans through, right?

11 A. I altered emails?

12 Q. You altered emails. Is that true?

13 A. Can you show me a specific email?

14 Q. Yes or no, did you alter emails?

15 A. Is there a specific email you could show me?

16 Q. Mr. Raico, I'm just asking you yes or no, did you alter  
17 emails in order to push the Manafort loans through?

18 A. I don't recall.

19 Q. Did you hide documents from the underwriting department in  
20 order to push the Manafort loans through?

21 A. I don't believe so.

22 Q. Did you lie to Mr. Calk in order to push the Manafort loans  
23 through?

24 A. I don't believe I was lying to Mr. Calk.

25 Q. Did you assist Mr. Manafort purposely in defrauding The

L76Qcall

Raico - Cross

1 Federal Savings Bank in order to get your commission on the  
2 Manafort loans?

3 A. No.

4 Q. Mr. Raico, you testified already on direct that you would  
5 sometimes -- you would sometimes say in emails that Mr. Calk  
6 was pressuring you when that was false, right?

7 A. I may have embellished in order to move the file forward or  
8 to get my point across.

9 Q. I'm asking you whether you just said five minutes ago that  
10 you would sometimes say in emails that Mr. Calk had pressured  
11 you when it wasn't true. Did you testify to that?

12 A. I do believe I was pressured in those loans, yes.

13 Q. I'm sorry. You did write false things in emails in order  
14 to move the loans forward, right?

15 A. I don't believe I wrote false things in emails.

16 Q. Did you just testify five or ten minutes ago in response to  
17 an email that was on the screen that you said that Mr. Calk  
18 pressured you even though he had not pressured you. Didn't you  
19 just testify to that?

20 A. Can you show me the email, please?

21 Q. No. You were shown a different email, Government Exhibit  
22 175, regarding Ms. Ivakhnik's ordering of appraisals. Do you  
23 remember testifying about that ten minutes ago?

24 A. Yes.

25 Q. And you lied throughout that email, correct?

L76Qcall

Raico - Cross

1 A. Can you show me the email?

2 Q. No. All right. Let's -- Government Exhibit 175, please.  
3 Defense Exhibit 175, I'm sorry. Could we go to the first page,  
4 the bottom page, last page. At the bottom of the page, didn't  
5 you just testify ten minutes ago that when you wrote "It  
6 appears as though my former MBA (Anna) ordered the second  
7 appraisal through a different AMC," didn't you testify a few  
8 minutes ago that that was a lie?

9 A. It was not accurate.

10 Q. It was a lie, sir, wasn't it?

11 A. It was not accurate.

12 Q. The next sentence, "We couldn't find the appraisal she  
13 ordered, thus scrambled for Sam Heskell at Nadlan to have  
14 another appraisal perform the second." That was a lie, wasn't  
15 it?

16 A. We were waiting for another appraisal to come.

17 Q. But it's not true that you couldn't find the appraisal; you  
18 had the appraisal, right?

19 A. We were waiting for a third to come.

20 Q. But when you wrote that "we couldn't find the appraisal she  
21 ordered," that was a lie, sir, wasn't it?

22 A. I was not being forthcoming at that moment, but we did have  
23 another appraisal that was coming that was going to make a  
24 difference.

25 Q. When you say not forthcoming, true or false, you knew that



L76Qcall

Raico - Cross

1 she had ordered an appraisal that came back at 7.2 million, and  
2 you were hiding it from the underwriting department. True or  
3 false?

4 A. I wasn't hiding it. I was holding on to it in anticipation  
5 of another appraisal coming.

6 Q. When you said, "We couldn't find the appraisal," that was  
7 absolutely false, right, Mr. Raico?

8 A. That was not accurate.

9 Q. Can we go up one more email. Do you see that Mr. Brennan  
10 asked you, "Have you reached out to Anna? How many AMCs do you  
11 guys use, and what did the other AMC have to say?" Do you see  
12 he asked you that?

13 A. Yes.

14 Q. Do you remember off the top of your head that your response  
15 was a lie?

16 A. No, I don't.

17 Q. Let's show you that. Did you write: "Hi, Jim. Anna was  
18 terminated a few weeks ago. The mishandling of this second  
19 appraisal was one of several reasons corporation decided to  
20 terminate her." That was a lie, wasn't it?

21 A. That was not accurate.

22 Q. It was not accurate because you said something that was  
23 literally false. Is that right?

24 A. That was not accurate.

25 Q. You knew it was not accurate at the time that you wrote it?

L76Qcall

Raico - Cross

1 A. Knowing that we had another appraisal coming.

2 Q. She wasn't fired for the mishandling of the appraisal  
3 because she didn't mishandle the appraisal, right?

4 A. I don't know.

5 Q. All right. We'll get to that later. Could we go up one  
6 more email. You see Mr. Brennan says, "Did you reach out to  
7 her or not, and who might she have used? I doubt the field  
8 review will be sufficient to close." Do you see that?

9 A. I do.

10 Q. Can we see your response then?

11 When you wrote to Mr. Brennan, "Anna was terminated by  
12 Mordy and certainly not going out of her way and help TFSB, we  
13 discovered that some of the tasks she was supposedly working on  
14 were not getting accomplished."

15 You were in that email deliberately smearing  
16 Ms. Ivakhnik to cover up for the fact that you had a second  
17 appraisal. Isn't that true?

18 A. No.

19 Q. Well, you did have a second appraisal?

20 A. We were waiting for a third appraisal to come.

21 Q. Mr. Raico, could you just answer my question? Did you have  
22 a second appraisal that had come in low that you were not  
23 forwarding to the people in Chicago. Isn't that true?

24 A. At that time I was holding on to the second appraisal, yes.

25 Q. All right. Do you remember that you ten minutes ago

L76Qcall

Raico - Cross

1 testified about Defense Exhibit 205-A, a submission you made to  
2 Bank of the Internet. Do you remember testifying about that?

3 A. Yes.

4 Q. And do you remember testifying that you lied in that  
5 submission when you said Mr. Manafort had excellent credit?

6 A. I was passing on information from the 1003.

7 Q. But did you testify ten minutes ago that the information  
8 you passed on you knew to be false?

9 A. Not all of the information was a hundred percent accurate.

10 Q. Mr. Raico, simple question. Do you remember testifying ten  
11 minutes ago that the document you provided to B of I said  
12 Manafort's credit was excellent, and you knew it to be false at  
13 the time?

14 A. Yes.

15 Q. Do you remember that ten minutes ago you testified about  
16 Defense Exhibit 118 and exchanged with Mr. Horn about  
17 Mr. Manafort's financials. Do you remember that?

18 A. Yes.

19 Q. And you told Mr. Horn -- you testified that you were not  
20 forthcoming with Mr. Horn. Is that right?

21 A. Yes.

22 Q. Because you actually had received financials, right?

23 A. Yes.

24 Q. And you knew those financials were fraudulent, right?

25 A. No, I did not.

L76Qcall

Raico - Cross

1 Q. Well, you didn't provide them to Mr. Horn, right?

2 A. I did not.

3 Q. You were not forthcoming, meaning he asked you whether you  
4 had them and you pretended you didn't. Is that right?

5 A. Can you say that again?

6 Q. When you testified earlier that you were not forthcoming  
7 with Mr. Horn, were you not forthcoming in that you had the  
8 financials he was asking for, but you pretended you didn't?

9 A. I did not, sir.

10 Q. Were you pretending that you didn't have them?

11 A. I didn't have them -- could you say that again?

12 Q. When you asked the question -- when Mr. Horn asked you for  
13 the financials, you were not forthcoming, right?

14 A. That is true.

15 (Continued on next page)

L76MCAL2

Raico - Cross

1 Q. Because you didn't provide him with the financials that you  
2 had received, right?

3 A. Correct.

4 Q. And you were pretending to Mr. Horn that you did not have  
5 them?

6 A. I don't know if I was pretending. I was pretending that I  
7 did not have them.

8 Q. Mr. Raico, you had the financial statement that you had  
9 received from Mr. Manafort's accountant, right?

10 A. Yes.

11 Q. Mr. Horn asked you for it?

12 A. Yes.

13 Q. And you didn't give it to him?

14 A. Correct.

15 Q. And you pretended that you didn't have it and that's why  
16 you didn't give it to him?

17 A. I simply didn't pass them on.

18 Q. We will come back to that.

19 Mr. Raico, you have met a number of times with  
20 prosecutors for the government, not always with this group of  
21 prosecutors, right?

22 A. Correct.

23 Q. About maybe seven times?

24 A. Approximately.

25 Q. And you now have immunity, as you sit here today, right?

L76MCAL2

Raico - Cross

1 A. Yes.

2 Q. But in the seven times that you met with the government,  
3 this group or another group, you didn't tell them about all the  
4 lies that are in your e-mails, right?

5 A. What do you mean?

6 Q. Did you tell them, the representatives of the government,  
7 in interviews to prepare for testimony about all of the lies  
8 that are in your e-mails?

9 A. I wouldn't necessarily say they were lies. I was not  
10 forthcoming with some information.

11 Q. Did you tell them about all the information you hid from  
12 Mr. Calk?

13 A. I didn't necessarily hide information from Mr. Calk. I  
14 didn't send on some of the information, knowing that we were  
15 waiting for additional information because the one that I had  
16 didn't matter.

17 Q. Did you tell the prosecution either, this group or another,  
18 that you had violated the federal bank bribery statute by  
19 accepting \$35,000 from Igor Shabanets?

20 A. No.

21 Q. You didn't tell them that?

22 A. No.

23 Q. You did receive \$35,000 in July of 2016 from Igor  
24 Shabanets?

25 A. I don't remember the exact amount.

L76MCAL2

Raico - Cross

1 Q. Did you receive money from Igor Shabanets in the summer of  
2 2016?

3 A. I received a loan that was completely paid back.

4 Q. When was it paid back?

5 A. Over the course of a couple of months.

6 Q. Isn't it true, Mr. Raico, that the notebooks that you have  
7 presented in evidence are filled with references to  
8 Mr. Shabanets and his associate, Yan Yeaves, trying to collect  
9 that loan from you?

10 A. I don't believe so.

11 Q. Isn't it true that you got \$35,000 from Igor Shabanets in  
12 July of 2016?

13 A. I don't remember the exact date.

14 Q. Isn't it true that you got a loan for thousands of dollars  
15 in the summer of 2016 from Igor Shabanets?

16 A. That is possible, yes.

17 Q. Isn't it true that you did not disclose that to the  
18 government in the seven or so sessions that you spent being  
19 debriefed?

20 A. I wasn't asked about it.

21 Q. Did you know at the time that that it was illegal for you  
22 to accept money from a customer of the bank who was applying  
23 for loans at the time? Did you know that?

24 A. No.

25 Q. You had no idea?

L76MCAL2

Raico - Cross

1 A. No.

2 Q. And the government didn't ask you?

3 A. No.

4 Q. I'd like to show you what's been marked for identification  
5 as Government Exhibit 109 in evidence.

6 Let's look at the bottom to see how this chain starts.  
7 Look at the second page. That's the attachment.

8 We are looking at the second page of Government  
9 Exhibit 109. Do you see that that includes an e-mail from  
10 Mr. Calk providing you with the terms that were approved for  
11 the Nottingham loan on July 28, 2016? Do you see that?

12 A. Yes.

13 Q. If we could go up to the bottom of the previous page, do  
14 you see that you asked Mr. Brennan if he would mind putting  
15 those terms on "official letterhead." You see that?

16 A. Yes.

17 Q. You say, I think it's been giving a professional touch.  
18 You see that?

19 A. Yes.

20 Q. And then on the top e-mail of the chain Mr. Brennan  
21 provides that to you. Do you see that? You see the  
22 attachment?

23 A. Yes.

24 Q. If we could look at the attachment on Government Exhibit  
25 109, do you see that that is the term sheet that Mr. Brennan



L76MCAL2

Raico - Cross

1 provided to you on July 28, 2016 on his letterhead?

2 A. Yes, I believe so.

3 Q. Do you see at the bottom of the second page of the term  
4 sheet there is a paragraph that says, if the terms are agreed  
5 to, then the customer must pay the application and appraisal  
6 fee as well as the two points. Do you see that?

7 A. I do.

8 Q. It says: Once the fees are received and an account is set  
9 up at the bank, we will have the attorney prepare the loan  
10 documents at the client's expense and close the loan. You see  
11 that?

12 A. Yes.

13 Q. That was on the term sheet that you asked Mr. Brennan to  
14 send to you?

15 A. Yes.

16 Q. But you didn't send that term sheet to Paul Manafort, did  
17 you?

18 A. I don't know.

19 Q. You doctored that term sheet, right?

20 A. I don't believe so.

21 Q. Let me show you Defense Exhibit 148 in evidence. You see  
22 that Defense Exhibit 148 is the e-mail in which you mailed the  
23 term sheet for Manafort and Yohai. You see that?

24 A. Yes.

25 Q. Is that on July 29, 2016?

L76MCAL2

Raico - Cross

1 A. Yes.

2 MR. SCHOEMAN: Could we look at the attachment,  
3 Defense Exhibit 148A in evidence.

4 Q. You see that?

5 A. Yes.

6 Q. Mr. Raico, that's not the term sheet that Mr. Brennan sent  
7 you, right?

8 A. No.

9 Q. It's not on Mr. Brennan's letterhead anymore, right?

10 A. No.

11 Q. You created this on your own letterhead, correct?

12 A. I don't know. This is the first time I'm seeing this.

13 Q. It's not the first time you saw it. You sent it to Paul  
14 Manafort, correct?

15 A. I don't remember. I haven't seen this.

16 MR. SCHOEMAN: Can we go back to Defense Exhibit 148.

17 Q. Mr. Raico, yes or no, is this the term sheet that you sent  
18 to Paul Manafort?

19 A. I don't know if it was the second term sheet or third term  
20 sheet. I don't remember this.

21 Q. Let's compare Defense Exhibit 148-A with the attachment on  
22 Government Exhibit 109. That's probably the third page.

23 Mr. Raico, on the left of the screen is Government  
24 Exhibit 109, the first page of the term sheet prepared by  
25 Mr. Brennan, and the one on the right is the first page of the

L76MCAL2

Raico - Cross

1 term sheet prepared by you. Do you see that?

2 A. I don't know if this was prepared by me. I haven't seen  
3 this before.

4 Q. Are you denying that the attachment to the e-mail that was  
5 sent to Mr. Manafort saying here is the term sheet is the term  
6 sheet that you sent to him?

7 A. I don't know when this term sheet was sent. I don't know  
8 if my assistant prepared the term sheet. I have no idea.

9 Q. Let's look at it.

10 First of all, do you see that on, for example, under  
11 origination fees on Mr. Brennan's term sheet it says 2 percent  
12 of the loan amount plus application fee of \$5,000. You see  
13 that?

14 A. I do.

15 Q. Do you see that does not appear in the term sheet that has  
16 your name on it?

17 A. I can see that, yes.

18 Q. Let's look at the second to last page of the next page of  
19 Mr. Brennan's term sheet.

20 Do you see that that has a paragraph that says, if the  
21 terms are agreed to, then the customer must pay the application  
22 and appraisal fee? You see that?

23 A. I see that.

24 Q. And that says: Once the fees are received, an account is  
25 set up, we will have the attorney prepare the loan documents at

L76MCAL2

Raico - Cross

1 the client's expense and close the loan. You see that?

2 A. I see that.

3 MR. SCHOEMAN: Could we look at 148-A on the right,  
4 full screen.

5 Q. That paragraph in Mr. Brennan's term sheet does not appear  
6 in the one that has your letterhead, is that right?

7 A. I don't see it.

8 Q. You know that that paragraph from Mr. Brennan's term sheet  
9 was specifically directed to be included by Mr. Calk, right?

10 A. Could have been.

11 MR. SCHOEMAN: Let's go to Government Exhibit 109,  
12 page 2, the e-mail from Mr. Calk.

13 Q. Do you see where he writes: Dennis, this is the term  
14 sheet. You see that?

15 A. Yes.

16 Q. Then he writes at the bottom, you see that language at the  
17 bottom, if the terms are agreed to?

18 A. Yes.

19 Q. Those are terms related to the payment of fees that  
20 Mr. Calk specifically directed be included. Do you see that?

21 A. I do.

22 Q. Do you see that those were specifically included in what  
23 Mr. Brennan prepared, right?

24 A. I saw that, yes.

25 Q. And they do not appear in the term sheet that was sent to

L76MCAL2

Raico - Cross

1 Mr. Manafort on your letterhead.

2 A. It doesn't appear to be there.

3 MR. SCHOEMAN: Let's look back at Government Exhibit  
4 109, the first page of the term sheet, probably page 6.

5 Q. Do you see that at the bottom of the term sheet that has  
6 Mr. Brennan's letterhead it says at the bottom under additional  
7 conditions: Prior to the ordering of the appraisal, the bank  
8 must receive. You see all of that?

9 A. Yes.

10 Q. Does that appear on Defense Exhibit 146-A?

11 A. I don't see it.

12 Q. Do you see that under third-party costs, Government Exhibit  
13 109-7, it says the borrower will be responsible to reimburse  
14 TFSB for all third-party costs incurred, including, but not  
15 limited to, appraisal, contractor review and attorney's fees.  
16 Do you see that?

17 A. I do.

18 Q. Third-party costs on 148-A says -- does it say responsible  
19 for all appraisal and title costs?

20 A. It does.

21 Q. So it doesn't say contract review and attorneys' fees,  
22 right?

23 A. It does not.

24 Q. So the term sheet that Mr. Brennan prepared at your request  
25 as a nice personal touch is different from the term sheet that

L76MCAL2

Raico - Cross

1 has your name at the top that was sent to Mr. Manafort the next  
2 day?

3 A. It appears that way.

4 Q. And which you claim you can't remember creating?

5 A. I do not remember creating that and it could have been  
6 created by anybody in my office.

7 Q. Mr. Raico, is it your testimony that Anna Ivakhnik created  
8 a phony term sheet and handed to you to send to Mr. Manafort?  
9 Is that your testimony?

10 A. I didn't say that.

11 Q. Is there anyone in your office that you would think would  
12 deliberately alter Mr. Brennan's version of the term sheet to  
13 take out all the fees and costs and provide it on your  
14 letterhead to Mr. Manafort? Is there anyone else who would do  
15 that?

16 A. No. Quite frankly, if this -- all of my portfolio loans  
17 are three points. This should have been three points rather  
18 than two points.

19 Q. Mr. Raico, that's a lie, isn't it?

20 A. That my portfolio loans are not three points?

21 Q. Yes. Isn't that a lie?

22 A. The majority of my portfolio loans were done at three  
23 points.

24 Q. Mr. Raico, isn't it true that when you first met Paul  
25 Manafort in April of 2016, you proposed the terms as two

L76MCAL2

Raico - Cross

1 points, right? Isn't that true in April of 2016?

2 A. I don't believe so.

3 MR. SCHOEMAN: Could we see Defense Exhibit, I'm  
4 thinking it's 210.

5 I'm sorry. It's 208.

6 Q. This is an e-mail from you on April 21, 2016.

7 A. Yes.

8 Q. Do you see that in the middle of the second paragraph it  
9 says: The borrowers are well aware of the initial proposed  
10 terms, 7.25, two points. Do you see that?

11 A. I do.

12 Q. And you put that in there before you had even spoken to  
13 Mr. Calk about the loan, right?

14 A. Looks like I did.

15 Q. So the Manafort loans from the very beginning were two  
16 points, right?

17 A. All portfolio loans done through me at the end of the day  
18 were done at three points. So his could have been a mistake,  
19 but it was a three-point loan.

20 Q. I'm just asking you, did you write in an e-mail, before you  
21 had even spoken to Mr. Calk, the borrowers are well aware of  
22 the initial proposed terms, 7.25 percent, two points? Did you  
23 write it in an e-mail, yes or no?

24 A. Yes, I did.

25 MR. SCHOEMAN: Let's go back to August 2016.

L76MCAL2

Raico - Cross

1           Could we look at Defense Exhibit 151. Could we look  
2 at the top of page 2. This is in evidence.

3 Q. Do you see on August 9, 2016 Mr. Brennan asked you:  
4 Dennis, has he returned the signed term sheet and applicable  
5 deposit? You see that?

6 A. I do.

7 Q. Let's look at your response on the next page.

8           Mr. Raico, would you read what you wrote.

9 A. Hi, Jim. Yes. They did return the executed term sheet. I  
10 did not push the issue of an application fee, considering they  
11 should have \$2 million wired into TFSB account tomorrow.  
12 Appraisals and title has already been ordered. I will push  
13 them on the contractor profile, budget, plans, specs, etc.  
14 Steve indicated that he wanted this to close on or before the  
15 15th. I'm hopeful we can close this next week.

16 Q. How many lies are in that e-mail? That's a question for  
17 you.

18 A. Is there a specific question?

19 Q. Yes. How many lies are in that e-mail?

20 A. I don't know if they returned the term sheet. What  
21 specifically are you asking?

22 Q. Mr. Raico, when you wrote, yes, they did return the  
23 executed term sheet, that was false, is that right?

24 A. I don't know.

25 Q. Well, Mr. Raico, isn't it true that you did not receive a



L76MCAL2

Raico - Cross

1 copy of the executed term sheet from anyone until October 27,  
2 2016?

3 A. I do not know.

4 Q. Isn't it true that you, on October 26, because you didn't  
5 have the term sheet, you asked Mr. Yohai to send you a copy of  
6 the term sheet that's signed, right?

7 A. I don't remember.

8 Q. Let me show you what's in evidence, Defense Exhibit 164.

9 MR. SCHOEMAN: Let's just enlarge it so we can read  
10 it.

11 Q. You see that the bottom e-mail is from Mr. Yohai on October  
12 27, 2016. You see that?

13 A. Yes.

14 Q. The subject is executed term sheet. You see that?

15 A. I do.

16 Q. It says: See attached. You see that?

17 A. I do.

18 Q. And that was sent to Mr. Katz, right, on the bottom? You  
19 see that?

20 A. Yes.

21 Q. Mr. Katz was the mortgage broker who was working with  
22 Manafort and Yohai, right?

23 A. Correct.

24 Q. That was provided to you on October 27, right?

25 A. Correct.

L76MCAL2

Raico - Cross

1 MR. SCHOEMAN: Can we look at the attachment, 164-A, I  
2 guess.

3 Q. Mr. Raico, do you recognize the term sheet on your  
4 letterhead for the Nottingham loan?

5 A. Yes.

6 Q. Do you see that that was signed by Mr. Yohai on October 27,  
7 2016?

8 A. I do.

9 Q. Are you aware of any version of that document that was  
10 actually signed by Paul Manafort?

11 A. I don't know.

12 MR. SCHOEMAN: Let's go back to Defense Exhibit 151.

13 Q. We just did: Yes, they did return the executed term sheet.  
14 But let me ask you, Mr. Raico, do you now agree that on August  
15 9, 2016, you did not actually have an executed term sheet? Do  
16 you remember that?

17 A. I don't know because the one that you just showed me had  
18 one signature. He could have sent an earlier one with another  
19 signature. There was so many documents going back and forth, I  
20 don't remember today when I was sent an executed term sheet  
21 five years ago.

22 Q. Are you aware of any version of the term sheet earlier than  
23 the one that I just showed you October 27?

24 A. I don't know.

25 Q. You said they did return the executed term sheet. Do you

L76MCAL2

Raico - Cross

1 think that when you wrote that, Mr. Brennan thought you would  
2 be referring to the term sheet he prepared at your request? Do  
3 you think so?

4 A. I am not sure.

5 Q. You didn't tell Mr. Brennan that you had changed his term  
6 sheet, did you?

7 A. I don't know.

8 Q. You say, I did not push the issue of the application fee.  
9 Do you see that?

10 A. I do.

11 Q. That was kind of a false statement, right?

12 A. I know they were looking to put a large deposit into the  
13 Federal Savings Bank. I could have said that.

14 Q. Isn't the truth that you just removed the \$5,000  
15 application fee from the Dennis Raico version of the term  
16 sheet, you just removed it?

17 A. I just said to you, I don't know who provided that term  
18 sheet.

19 Q. That you e-mailed to Paul Manafort?

20 A. Right.

21 MR. SCHOEMAN: Let's look at Defense Exhibit 147 just  
22 to see if this helps. This is in evidence, Defense Exhibit  
23 147.

24 Q. Do you see on July 29 Mr. Manafort asked you, Dennis,  
25 please send me a copy of the term sheet for Nottingham that you

L76MCAL2

Raico - Cross

1 sent to Jeff.

2 You see that?

3 A. I do.

4 MR. SCHOEMAN: And then can we look back at Defense  
5 Exhibit 148, top e-mail.

6 Q. Would you read what you wrote.

7 A. Hi, Paul. Please see the attached and the comments below.  
8 I didn't want to inundate you and assumed that Jeff would  
9 forward. I will include you in our pertinent communication  
10 moving forward. As stated below, we are committed to making  
11 you and Jeff a priority. We will need some essential updated  
12 information and would like to target a closing date of 8/15/16.

13 Q. Let's stop there. Having seen that Mr. Manafort asked you  
14 for a copy of the term sheet and that you provided a copy of  
15 the term sheet and that you said, please see the attached and  
16 the comments below, is it your testimony to the jury that you  
17 did not provide the term sheet to Mr. Manafort?

18 A. I don't know. This was -- I do not remember.

19 MR. SCHOEMAN: Let's go back to Defense Exhibit 151.

20 Q. Do you see where you wrote: Appraisals and title has  
21 already been ordered. Do you see that?

22 A. Yes.

23 Q. That was not true either, was it?

24 A. I don't know exactly when the appraisals and titles were  
25 ordered.

L76MCAL2

Raico - Cross

1 Q. Isn't it true that the appraisals were ordered on August  
2 12?

3 A. They could have been.

4 Q. Don't remember?

5 A. I don't remember when the exact appraisals were ordered.

6 Q. So this e-mail says appraisals have already been ordered  
7 and it's August 9. You see that?

8 A. I do.

9 Q. You say you don't remember when the appraisals were  
10 ordered. Is that fair?

11 A. Fair enough.

12 Q. Would it refresh your recollection to look at the  
13 electronic e-mail confirmations of the appraisal orders?

14 A. Sure.

15 Q. Just for the witness let me show you what's been marked for  
16 identification as Defense Exhibit 775. Just look at that. I  
17 am going to ask you whether that refreshes your recollection.

18 A. I see the date, yes.

19 Q. I am just asking you whether it refreshes your  
20 recollection.

21 A. Again, I see the date. I don't remember exactly when it  
22 was ordered. If this is saying that the order date is on  
23 August 12, then I have to take it as that.

24 MR. SCHOEMAN: Let's go back to Defense Exhibit 151.

25 Q. You see on the bottom of this e-mail that you wrote: Steve

L76MCAL2

Raico - Cross

1 indicated that he wanted this closed on or before the 15th.

2 You see that?

3 A. I do.

4 Q. Mr. Raico, that is one of those instances where you invoked  
5 Mr. Calk's name as putting pressure on you when it never  
6 actually happened, right?

7 A. It could have been.

8 Q. That could be an instance in which in order to move things  
9 along you said, Mr. Calk wants it, but he hadn't actually told  
10 you that?

11 A. There were many instances when Steve had pressure to move  
12 this along. If this was one of the occasions where I wanted  
13 everybody to move the file along and used his name to invoke  
14 people rushing it, it could have been.

15 Q. Just so the jury understands, you are saying that sometimes  
16 you would try to push the file forward by invoking Mr. Calk's  
17 name, right?

18 A. Knowing that he wanted the file to move forward, yes.

19 Q. But sometimes you did it, as you testified on direct,  
20 without him telling you to do it; you just did it on your own?

21 A. On occasion.

22 Q. And there is nothing in the term sheet that was approved  
23 that said that this loan has to close by August 15, right?

24 A. I'm sorry. What did you say?

25 Q. Is there anything -- withdrawn.

L76MCAL2

Raico - Cross

1           Mr. Raico, is there anything in the terms of the term  
2 sheet that was approved by the loan committee that said this  
3 loan needs to close by August 15?

4       A. I don't believe it stated that on the term sheet.

5       Q. Are you aware of any e-mail that Mr. Calk sent to you  
6 saying, I want this to close by the 15th?

7       A. I don't recall.

8       Q. In fact, it would have been incredibly quick for that loan  
9 to close by August 15.

10      A. Possibly.

11      Q. And the significance of August 15 is that if the loan  
12 closed by August 15, then you would be able to get your  
13 commission in the August -- the second August pay cycle, right?

14      A. Could have been.

15      Q. So if the loan closes by the 15th, it just means you get  
16 your check before the end of the month, right?

17      A. It could be.

18      Q. Let me show you Government Exhibit 197. Let's just look at  
19 this e-mail. This is an e-mail, Government Exhibit 197.

20            You see it? It includes you in the middle of the  
21 first page e-mailing Mr. Calk and giving him an update on the  
22 Manafort loan. You see that?

23      A. I'm sorry. What date was this?

24      Q. The top e-mail is on October 13. You see that?

25      A. Yes. Thank you.

L76MCAL2

Raico - Cross

1 MR. SCHOEMAN: Could we look at the second page of the  
2 exhibit.

3 Q. You see one of the things that you forwarded to Mr. Calk in  
4 the chain was an e-mail you received from Mr. Manafort. You  
5 see that?

6 A. I see that, yes.

7 Q. You see that in this e-mail it says: This transaction is  
8 penciled in to close next Thursday. You see that?

9 A. Yes.

10 MR. SCHOEMAN: Can we highlight that, this  
11 transaction, just the phrase, this transaction. Then it says:  
12 Let's get this one successfully closed.

13 Q. You see that e-mail?

14 A. Yes.

15 Q. So this is an e-mail down in the chain of e-mails that you  
16 forwarded to Mr. Calk, true?

17 A. I guess so.

18 MR. SCHOEMAN: Could we compare that to what's in  
19 evidence -- this piece of this e-mail is in evidence,  
20 Government Exhibit 185.

21 Can we put those versions --

22 Q. Do you see on the top of your screen, from Government  
23 Exhibit 185, the e-mail that Mr. Manafort sent to you in a  
24 different version of the chain? Do you see that? It's an  
25 e-mail on the same day. It's basically the same e-mail. You



L76MCAL2

Raico - Cross

1 see that?

2 A. Yes.

3 Q. But you see that the one on the top is slightly different  
4 from the one you forwarded to Mr. Calk. You see that? You see  
5 that in the one on the top it says the first transaction is  
6 penciled in to close. Do you see that? And the one on the  
7 bottom, it just says this transaction.

8 A. OK.

9 Q. Mr. Raico, isn't it true that before forwarding this e-mail  
10 from Mr. Manafort, before forwarding it to Mr. Calk, you  
11 doctored it a little bit?

12 A. I have no idea.

13 Q. Let's just look. At the e-mail on the top it says, let's  
14 get this one successfully closed and on to the next. Do you  
15 see that?

16 A. Yes.

17 Q. Do you see on the bottom one it doesn't say and on to the  
18 next, right?

19 A. It does not.

20 Q. Otherwise, same e-mail, right?

21 A. OK.

22 Q. Isn't it true that what happened is, you doctored the  
23 e-mail that you sent to Mr. Calk so that he could not see that  
24 you had been promising Mr. Manafort that there were going to be  
25 a bunch of loans closing right after this. Isn't that true?

L76MCAL2

Raico - Cross

1 Isn't that what happened?

2 A. I don't know. I don't know how long -- I'm not promising  
3 Mr. Manafort any loans.

4 Q. But just so we are clear what happened, Mr. Manafort said  
5 the first transaction is penciled in to close next Thursday and  
6 he says, let's get this one successfully closed and on to the  
7 next, right?

8 A. Yes.

9 Q. He sent that e-mail to you, right?

10 A. It appears he did.

11 Q. Because you had been telling him that after you closed the  
12 first transaction, you were going to then move on to the next  
13 one very quickly, right?

14 A. He had multiple transactions that he wanted us to take a  
15 look at that.

16 Q. When you forwarded that e-mail from Mr. Manafort to  
17 Mr. Calk, you doctored it, yes or no?

18 A. I don't recall doing that.

19 Q. Let me show you --

20 MR. SCHOEMAN: Your Honor, I don't know if your Honor  
21 would like to take a break, but I can keep going.

22 THE COURT: Now is a good time for our morning break.

23 Ladies and gentlemen, let's break for ten minutes.

24 Please remember not to talk about the case or anything  
25 happening in the courtroom.

L76MCAL2

Raico - Cross

1 (Jury not present)

2 THE COURT: Mr. Raico, you may step down. A reminder  
3 not to talk to the government attorneys.

4 MR. SCHOEMAN: Your Honor, I would ask that maybe  
5 Mr. Raico just wait right outside while I make an application.

6 THE COURT: Sure.

7 Mr. Raico.

8 MR. SCHOEMAN: My application is that Mr. Raico be  
9 instructed not to speak to his own counsel while he is on  
10 cross-examination. The authority for that is the Supreme  
11 Court's decision --

12 THE COURT: No. You had asked for this before, and  
13 I'm happy to give that instruction.

14 MR. SCHOEMAN: It's that he not speak to his own  
15 counsel, which is provided for by the Supreme Court in *Perry v.*  
16 *Leeke*, 109 S. Ct. 594, which basically says your Honor has  
17 discretion into further the truth-seeking function to tell a  
18 witness -- a defendant or a witness who is on cross-examination  
19 not to consult with counsel during breaks.

20 MR. SCOTTEN: My only concern is, he's at a different  
21 point than last time. We shouldn't be sort of passing notes  
22 through to his counsel. It's certainly proper. If I can just  
23 take a quick look at *Perry*.

24 THE COURT: Where is his counsel right now?

25 MR. SCOTTEN: He's still in the courtroom.

L76MCAL2

Raico - Cross

1 THE COURT: Why don't you ask the lawyer to come in.

2 MR. SCOTTEN: Frankly, maybe I should let the lawyer  
3 address it. It's not really the government's interest. His  
4 attorney may have some interest in speaking to him.

5 THE COURT: If you want to look at *Perry* for a minute.

6 MR. SCOTTEN: Sure.

7 THE COURT: Please give me the cite for that.

8 MR. SCOTTEN: 109 S. Ct. 594, your Honor. And counsel  
9 has pointed me to what I believe is probably 601 in Supreme  
10 Court Reporter.

11 MR. SCHOEMAN: Let's call it 282.

12 MR. SCOTTEN: In U.S. reports.

13 THE COURT: It's *Perry v. Leeke*.

14 MR. SCOTTEN: Yes, your Honor.

15 I agree with counsel's reading of the case. I have no  
16 objection. Mr. Andalman may want to object.

17 THE COURT: Could you spell his name for the record.

18 MR. SCOTTEN: A-n-d-a-l-m-a-n.

19 THE COURT: Mr. Andalman, I understand you represent  
20 Mr. Raico.

21 MR. ANDALMAN: I just do.

22 THE COURT: I just ask you to refrain from talking to  
23 him during the break.

24 MR. ANDALMAN: On any subject.

25 THE COURT: No. On anything related to this case. If

L76MCAL2

Raico - Cross

1 he wants to ask for the bathroom, you can tell him, but nothing  
2 related to the case.

3 MR. ANDALMAN: That's fine, your Honor.

4 THE COURT: We are adjourned.

5 (Recess)

6 MR. SCHOEMAN: May I inquire?

7 THE COURT: You may.

8 Q. I think when we broke we were looking at Government Exhibit  
9 185. I just want to put that back up for a second.

10 I think when I asked you a question I might have said  
11 that that was an e-mail from Manafort to you. That's actually  
12 an e-mail from you to Mr. Manafort, is that right?

13 A. Yes.

14 Q. That said: Let's get this one successfully closed and on  
15 to the next.

16 A. Yes.

17 Q. You did this a lot, Mr. Raico, making alterations to  
18 e-mails that you forwarded, right?

19 A. I don't believe so.

20 Q. Let me show you Government Exhibit 210. Do you see that  
21 the top of that e-mail is an e-mail that you forwarded to  
22 Vanessa Bartholomew? Do you see that? That's the top e-mail.

23 A. Yes.

24 Q. Ms. Bartholomew worked in the Maryland ops center?

25 A. Correct.

L76MCAL2

Raico - Cross

1 Q. And she was putting together the Encompass file for  
2 submission to B of I, right?

3 A. Yes.

4 Q. The bottom e-mail, can we look at that. You see that  
5 that's an e-mail from Thomas Horn to you and Mr. Brennan?

6 A. Yes.

7 Q. It says: Good morning, Dennis. It starts: We did receive  
8 for 2015 and most recent 2016 interims for his consulting  
9 business, DMP International, Inc., which I have attached. Do  
10 you see that?

11 A. Yes.

12 Q. That e-mail that you forwarded to Ms. Bartholomew you  
13 doctored from its original, correct?

14 A. The e-mail?

15 Q. This e-mail from Mr. Horn that you forwarded to  
16 Ms. Bartholomew is doctored, correct?

17 A. Can I see that again, please?

18 Q. I'm showing you the e-mail that you forwarded. I'm just  
19 asking you whether you remember doctoring this e-mail.

20 A. I don't remember.

21 MR. SCHOEMAN: Let's look at Defense Exhibit 162 side  
22 by side in evidence. Let's enlarge Mr. Horn's e-mail at the  
23 bottom of the one on the left, Government Exhibit 210. We lost  
24 it. I want to see if we can compare that to the top e-mail on  
25 Defense Exhibit 162.

L76MCAL2

Raico - Cross

1           Mr. Raico, do you see that on Defense Exhibit 162, the  
2 e-mail that you received from Horn, starts: Although asked --  
3 let's look at the top one. It starts: Although asked, we did  
4 only receive the personal income tax returns for Paul and 2015  
5 being a draft.

6           Do you see that that's what Mr. Horn wrote in the top  
7 e-mail?

8 A. Yes.

9 Q. You see that in the version below that you forwarded to  
10 Ms. Bartholomew, you took out that sentence?

11 A. I don't remember doing that.

12 Q. But there is no one else who could have done that, right?

13 A. I don't believe so. I could have. I don't remember doing  
14 that.

15 Q. But you are not denying that you did it?

16 A. As it looks here today, I can't deny it.

17 Q. And the reason you did it was because Mr. Bartholomew was  
18 asking about Mr. Manafort's tax returns and you didn't want her  
19 to know that they had been asked for and not received, is that  
20 right?

21 A. I don't know.

22           MR. SCHOEMAN: Well, let's look at Defense Exhibit  
23 162, which we had up. Let's just look at the page 2 at the  
24 bottom of that e-mail.

25 Q. Isn't it true that what Ms. Bartholomew was specifically

L76MCAL2

Raico - Cross

1 asking you about was income tax documents to confirm

2 Mr. Manafort's eligibility? That's why she was asking you,  
3 right?

4 A. Could be.

5 Q. And you deleted a sentence of Mr. Horn's e-mail that said  
6 you had asked for them and hadn't received them, right?

7 A. Again, I don't remember. This was five years ago. If you  
8 are showing me this today, it could be, but I don't remember  
9 doing this.

10 Q. How many e-mails do you think you might have done this to  
11 but can't remember?

12 A. It wasn't my practice.

13 Q. Let me show you Defense Exhibit 143.

14 Do you see page 2 at the bottom, you see that that  
15 starts with, I have a note into my director of credit? Do you  
16 see that?

17 A. Yes.

18 Q. And that was an e-mail that Raymond Marquez at Bank of the  
19 Internet sent to you on September 7.

20 A. OK.

21 Q. And you forwarded that e-mail.

22 MR. SCHOEMAN: Could we just go up in the chain.

23 Q. Do you see that you forwarded that e-mail to Mr. Calk on  
24 November 7?

25 A. I see that, yes.



L76MCAL2

Raico - Cross

1 Q. Which was the day before the 2016 election?

2 A. OK.

3 Q. Well, it's Monday, November 7. You see that it's Monday  
4 November 7?

5 A. I do, yes.

6 Q. You write: Steve, just keeping you updated. You see that?

7 A. Yes.

8 Q. And you write: Although the file was in underwriting all  
9 day, it will get conditional approval tomorrow. You see that?

10 A. I do.

11 Q. What you were telling Mr. Calk is that the file for the 9.5  
12 million dollar Manafort loan had been in underwriting at B of I  
13 all day, is that right?

14 A. It appears to be.

15 Q. You were expecting it to get approval on November 8, right?

16 A. I believe so.

17 Q. Now, let's go back to the e-mail that you forwarded, which  
18 is on the bottom of that page. If we could put that on the  
19 left side. Just the top. I have a note. That's fine. On the  
20 right could we have Defense Exhibit 168.

21 MR. SCHOEMAN: Could we enlarge the top e-mail.

22 Q. On the top of the screen you have the version that's in  
23 Defense Exhibit 143 that was forwarded, and on the bottom you  
24 have Defense Exhibit 168. You see that?

25 A. Yes.

L76MCAL2

Raico - Cross

1 Q. Do you see that on the bottom, Defense Exhibit 168, it  
2 starts with the phrase: The file was submitted to underwriting  
3 just after 12 p.m. You see that?

4 A. I do.

5 Q. Bank of the Internet is located in California, right?

6 A. Correct.

7 Q. So 12 p.m. there would be 2 p.m. in Chicago.

8 A. OK.

9 Q. And you deleted from the version that you forwarded to  
10 Mr. Calk the phrase, the file was submitted to underwriting  
11 just after 12 p.m. You see that?

12 A. I do.

13 Q. What this was saying was, the file went to underwriting at  
14 2 p.m. central time, correct, the bottom e-mail?

15 A. Yes.

16 MR. SCHOEMAN: If we could just go back then to  
17 Defense Exhibit 143 and your e-mail to Mr. Calk. A little  
18 higher. Right there. We can take down the one on the right.

19 Q. 143 on the second page, just keeping you updated, although  
20 the file was in underwriting all day, that was not true.

21 A. I'm sure I just put a different spin on things.

22 Q. By putting a different spin on things, you mean you deleted  
23 from the e-mail you forwarded the sentence that said it was  
24 submitted at 2 p.m. central time and then you wrote an e-mail  
25 that said it was there all day.

L76MCAL2

Raico - Cross

1 Is that what you mean by a different spin?

2 A. I don't remember doing that, but I could have.

3 Q. You did this kind of thing to a lot of e-mails, right?

4 THE COURT: That was a question.

5 A. I'm sorry.

6 Q. You did this kind of thing to a lot of e-mails during your  
7 time at the Federal Savings Bank, right?

8 A. I don't believe it was a regular practice.

9 Q. How many would it have to be to be a regular practice?

10 A. I don't remember doing this.

11 Q. Let me show you Government Exhibit 207.

12 You see that at the top of this e-mail it says -- it's  
13 from Paul Manafort to you on October 21. It says: Dennis, I  
14 have attached the last item you requested, the DMP P&L as of  
15 2016. Please confirm that you now have everything.

16 You see that?

17 A. I do.

18 MR. SCHOEMAN: Let's put that on the left-hand side of  
19 the screen and we will look at Government Exhibit 2008.

20 Q. Do you see at the bottom of the screen you forward the same  
21 e-mail to -- on the top you forwarded it to Elizabeth Cholakis,  
22 right?

23 A. Correct.

24 Q. You forward that same e-mail that we see in Government  
25 Exhibit 207 is at the bottom of Government Exhibit 208. You

L76MCAL2

Raico - Cross

1 see that?

2 A. Yes.

3 MR. SCHOEMAN: Zoom out of all of it. We can do it  
4 ourselves. Just zoom out.

5 Q. Do you see that here it says: Please confirm that you now  
6 have everything. That's Government Exhibit 207. And here,  
7 when you forwarded it, you just took that sentence out. You  
8 see that?

9 A. I do.

10 Q. For no reason. Is that true?

11 A. Again, I don't recall doing that.

12 Q. Isn't it true that you just routinely doctor e-mails before  
13 you forward them?

14 A. I wouldn't say that's a common practice.

15 Q. Let's go on.

16 Mr. Raico, isn't it true that you figured out that  
17 Mr. Manafort was defrauding the Federal Savings Bank and you  
18 helped him do it?

19 A. No.

20 Q. Well, the Nottingham loan did not go forward because  
21 Mr. Manafort walked away at the closing table, right?

22 A. Yes. He wanted to restructure it.

23 Q. And the restructured loan was a cashout refinance of the  
24 Jobs Lane property, right?

25 A. Correct.

L76MCAL2

Raico - Cross

1 Q. And you knew that when that loan was restructured that the  
2 loan underwriting would be then based on Mr. Manafort's income  
3 and earnings, right?

4 A. Yes.

5 Q. So you asked Mr. Manafort to send you an updated version of  
6 his profit-and-loss statement, correct?

7 A. Yes.

8 Q. And that's what we were just looking at, Government Exhibit  
9 207. You see that?

10 A. Yes.

11 Q. That's Mr. Manafort providing you with -- it says, a DMP  
12 P&L as of September 2016, right?

13 A. Yes.

14 Q. Let's just look at the attachment for a second. You see  
15 that attachment?

16 A. I do.

17 Q. Now, you received that attachment and you reviewed it,  
18 right?

19 A. Briefly.

20 Q. You reviewed it, right?

21 A. Briefly.

22 Q. Did you previously testify in a different proceeding to a  
23 different jury that you played no role in reviewing it?

24 A. Again, I would get information. If I would look at it,  
25 great. Otherwise, I would pass it on.

L76MCAL2

Raico - Cross

1 Q. You previously said under oath to a different jury in a  
2 different proceeding that you received this document, but you  
3 did not play any role in reviewing it. Did you do that?

4 A. I might have.

5 Q. But that wouldn't have been true?

6 A. Correct.

7 Q. Because let me show you Government Exhibit 208 now.

8 Could you read the e-mail at the top from yourself to  
9 Elizabeth Cholakakis.

10 A. Attached is the 2016 year to date P&L for Paul. I would  
11 use a three-year average, 2.985 million, 1.25 million, 3.012  
12 million, for an annual income of 2.415 million. Let me know  
13 how the debt income looks if you're still in the office.

14 Thanks again.

15 Q. That 3.012 million is the information from the 2016 P&L  
16 that Paul Manafort sent you?

17 A. I believe so.

18 Q. The one you testified to a different jury under oath you  
19 did not review.

20 A. OK.

21 Q. Do you have a clear recollection of how many things you  
22 said under oath to a different jury that were not true?

23 A. No.

24 (Continued on next page)

L76Qcal3

Raico - Cross

1 BY MR. SCHOEMAN: (Continued)

2 Q. Different juries, same oath, right?

3 A. Excuse me?

4 Q. Previously testified to a different jury but you took the  
5 same oath to tell the truth that you took today, right?

6 A. Yes.

7 Q. Now, the document that's attached here, DMP P & L 9/31/16,  
8 you never sent that to the underwriters in Chicago, right?

9 A. I believe I sent it to my assistant.

10 Q. Well, you knew they didn't have it, right?

11 A. I don't believe so.

12 Q. Let me show you what's in evidence as Government Exhibit  
13 210. So, in this email, Government Exhibit 210, you -- let's  
14 go down -- let's look at the whole email.

15 At the bottom of the page, we looked at this one  
16 earlier, this is from Mr. Horn. He said, "We did receive for  
17 2015 and most recent 2016 interims for his consulting business  
18 DMP International, which I have attached." Do you see that?

19 A. Yes.

20 Q. Let's look at the top email. And you see that you  
21 forwarded this to Ms. Bartholomew, and you said, "I just  
22 reached out to Paul and requested the six items that we  
23 discussed a few minutes ago. In addition, Tom has sent the  
24 P & Ls."

25 Do you see that?

L76Qcal3

Raico - Cross

1 A. Yes.

2 Q. Attached to that is something called the 2016 year to date  
3 P & L PDF. Do you see that?

4 A. I do.

5 Q. Can we go to the attachment, that particular attachment?  
6 No, next page. Next page. Next page. One more. And one  
7 more. And one more.

8 You see what was attached was a P & L for the seven  
9 months ended July 31, 2016. Do you see that?

10 A. I see that now, yes.

11 Q. Let's go back to Government Exhibit 207. Do you see on  
12 Government Exhibit 207 that on Friday, the 21st, you had  
13 actually already received the P & Ls as of September 2016. Do  
14 you see that?

15 A. I do.

16 Q. But if we looked -- just put that on the left side and go  
17 back to 210, Government Exhibit 210 on the right, first page.  
18 Do you see that Government Exhibit 210 your email to Vanessa  
19 Bartholomew is dated October 26? Do you see that?

20 A. Okay.

21 Q. And you sent her the file 2016 year to date P & L which was  
22 the P & L through July, right?

23 A. Okay.

24 Q. And you had received five days earlier from Mr. Manafort  
25 personally a P & L through September. It said September 31,



L76Qcal3

Raico - Cross

1 2016. Do you see that?

2 A. I do.

3 Q. So you did not forward that version to Ms. Bartholomew?

4 A. I'm not sure. I may not have.

5 Q. And the reason you did that is that the version you got  
6 from Paul Manafort was a very suspicious document, right?

7 A. Look, there were so many documents back and forth with  
8 Mr. Manafort, I couldn't make heads or tails of it.

9 Q. Let's look at Defense Exhibit 121 in evidence. Do you see  
10 that back on August 11 of 2016, Ms. Ivakhnik had gathered up  
11 the document 2016 year to date P & L. Do you see that?

12 A. I see that, yes.

13 Q. And let's display just that attachment, which I think is  
14 Exhibit F -- I mean, 121-F. Put that on the left. Go to  
15 Government Exhibit 207 attaching the other P & L you received  
16 directly from Manafort and put it on the right. So on the left  
17 is the one that Ms. Ivakhnik obtained in August through  
18 July 31, 2016. Do you see that?

19 A. The one on the left is through July.

20 Q. Yes.

21 A. And the one on the right is through September.

22 Q. Right. Can we highlight the date on the one on the right?

23 A. Thank you.

24 Q. And the one on the right is the one that you personally  
25 received from Mr. Manafort in Government Exhibit 207, right?

L76Qcal3

Raico - Cross

1 A. Okay.

2 Q. Do you see that on the one on the left shows income from  
3 operations zero?

4 A. Yes.

5 Q. Do you see the one on the right says income from operations  
6 \$3,650,000?

7 A. I do.

8 Q. Which results after expenses in income before taxes of  
9 \$3,011,952?

10 A. Yes, I see that.

11 Q. And it's that number that you rounded up to \$3,012,000 that  
12 you directed your assistant to use as Mr. Manafort's 2016  
13 income, right?

14 A. I made a suggestion, yes.

15 Q. So you told her to use the one from the P & L statement on  
16 the right which suddenly shows \$3,650,000 of income, right?

17 A. It does.

18 Q. Without a penny more of expense, right?

19 A. I see that.

20 Q. Well, comparing these documents, you're able to see that  
21 what Mr. Manafort provided you is a statement that said he now  
22 made \$3,650,000 of income, although his expenses did not change  
23 at all, right?

24 A. I see that.

25 Q. And it -- if you look at the one on the right, it's kind of

L76Qcal3

Raico - Cross

1 shoddy, don't you think?

2 A. Looking at it today and having the opportunity to review  
3 it, it looks like there's different fonts, yes.

4 Q. Yes. On the top, the date line, the date is kind of  
5 smudged. Do you see that?

6 A. Yes.

7 Q. And let's zoom out to the bottom of both emails. Do you  
8 see on the bottom right email where it says: "Subject to final  
9 rev mw." Do you see that?

10 A. I do.

11 Q. Which seems to be a doctoring of what was on the left,  
12 which says subject to final review. Right?

13 A. I'm not sure I really looked at the fine print.

14 Q. But just to be clear, you got this document from  
15 Mr. Manafort personally?

16 A. Okay.

17 Q. And you directed your assistant to use the number in the  
18 document 3,012,000 as Mr. Manafort's income, right?

19 A. Yes.

20 Q. And you did that because in order for the Summerbreeze loan  
21 to go forward, Mr. Manafort now had to show income in 2016,  
22 right?

23 A. He did.

24 Q. But you did not forward the document to the underwriting  
25 department to Vanessa Bartholomew on October 26, right?

L76Qcal3

Raico - Cross

1 A. For the September?

2 Q. You didn't forward the September one you'd received five  
3 days earlier to Ms. Bartholomew, right?

4 A. I don't believe so.

5 Q. You sent her the old one, correct?

6 A. Okay.

7 Q. All right. This issue came up again in December 2016. Do  
8 you recall that?

9 A. I believe so.

10 Q. Do you remember that Mr. Horn -- let me just show you. Let  
11 me show you Defense Exhibit 116. I want to start on page 3 at  
12 the bottom.

13 Do you see that Mr. Horn wrote an email to you and  
14 Mr. Brennan, and he says: "Dennis" and then he lists some  
15 things that he needs to receive. Do you see that?

16 A. I do.

17 Q. And he asks for the most recent financials for DPM  
18 International?

19 A. Okay.

20 Q. He says, "As you know, the last ones from July show a  
21 \$2.4 million receivable." Do you see that?

22 A. Yes.

23 Q. He told you in this email that the last ones he had were  
24 from July, right?

25 A. Yes.

L76Qcal3

Raico - Cross

1 Q. Now let me show you Government Exhibit 311. You see on the  
2 top again it's an email, this time on December 30, from  
3 Mr. Horn to you and Mr. Brennan. Do you see that?

4 A. Yes.

5 Q. Mr. Brennan is the chief underwriter. Is that right?

6 A. Yes.

7 Q. And Mr. Horn works for him?

8 A. Correct.

9 Q. So let's go on this email Government Exhibit 311 to page 6.  
10 I don't know why the bottom part is in gray, but just ignore  
11 that for now. It's on the original.

12 Do you see that Mr. Horn is asking you the bottom of  
13 this email now on the 28th, he says, "Per your earlier email, I  
14 need the following," and he again asks for the most recent  
15 financials for DPM International. Do you see that?

16 A. Yes.

17 Q. In response to that, you did not provide the financials  
18 that you had received from Mr. Manafort that were through  
19 September, right?

20 A. I don't believe I did.

21 Q. Let's go up to the next email. Mr. Raico, this is an email  
22 from you to Cindy Laporta, correct?

23 A. Yes.

24 Q. Ms. Laporta was a bookkeeper who worked for Mr. Manafort,  
25 right?

L76Qcal3

Raico - Cross

1 A. Yes.

2 Q. Or an accountant. Do you know what her role was?

3 A. I know she worked for the accounting firm that Mr. Manafort  
4 did business with.

5 Q. So you asked her to comply with Mr. Horn's request below?

6 A. Yes.

7 Q. And then let's go up to -- we can just let you see the  
8 whole thing. She responds, "I will work on the questions  
9 below." Do you see that?

10 A. Yes.

11 Q. And we will keep going up. Do you see that Heather  
12 Washkuhn -- do you remember who Heather Washkuhn is?

13 A. I believe she worked with the same firm.

14 Q. Let's open that wider so we can see her signature block.  
15 Heather Washkuhn is managing director at the firm. Is that an  
16 accounting firm?

17 A. I believe so.

18 Q. And you see that Heather Washkuhn tells you and  
19 Ms. Laporta, "Thanks Cindy. Dennis, the latest financials we  
20 have for DMP are dated 7/31/16." Do you see that?

21 A. I do see that.

22 Q. On December 29, you were being told by the accounting firm  
23 that the latest ones they had were the July 31 version?

24 A. Okay.

25 Q. Not the version that Paul Manafort sent you through

L76Qcal3

Raico - Cross

1 September, right?

2 A. Okay.

3 Q. Let's go up. And you say "Tom" -- meaning Tom Horn --  
4 "please read below on DMP. Please let me know." Do you see  
5 that?

6 A. Yes.

7 Q. Scroll up. "Dennis, I think they would be helpful. Thank  
8 you for following up." Do you see that?

9 A. Yes.

10 Q. So you say, "Okay, I will ask for the updated financials,"  
11 right?

12 And Mr. Horn says, "Dennis, 2014, and the most recent  
13 interims." Do you see that?

14 A. He's going back asking for 2014?

15 Q. I think he's asking for -- do you read that to say he wants  
16 the most recent interim financials for DMP International?

17 A. Correct.

18 Q. Let's scroll up. Would you read what you wrote?

19 A. "Tom, don't we have the financials updated to 7/31/16. I  
20 just requested an update year-to-date or at least more recent  
21 than July."

22 Q. In your email to Mr. Horn and Mr. Brennan, you mention the  
23 July financials and you don't mention the September financials  
24 you received personally from Mr. Manafort?

25 A. I guess I didn't.

L76Qcal3

Raico - Cross

1 Q. Okay. Let me scroll up. And Mr. Horn responds, "Correct,  
2 we need something since July."

3 At this point, Mr. Raico, you did not tell the  
4 underwriters that you had interim financials from September  
5 that showed \$3 million of income, right?

6 A. I didn't.

7 Q. So let me show you now what's in evidence Government  
8 Exhibit 316. Let's go to page 1, the bottom email. Do you see  
9 that on January 3, you wrote, "Hello Heather." That was to  
10 Heather Washkuhn, right?

11 A. Yes.

12 Q. And you wrote, "I was just checking to see when we will be  
13 receiving the updated financials for DMP." Do you see that?

14 A. Yes.

15 Q. And that was because the Union Street transaction was  
16 actually about to close, right?

17 A. Correct.

18 Q. And then let's go up in the chain. She says, "Will send  
19 over this week. Thank you."

20 And then on the top email, she writes, "Hi Dennis,  
21 draft financials for DMP as of November 30, 2016 are attached."  
22 Do you see that?

23 A. Yes.

24 Q. And she attaches a file 10/30/16 FS PDF, right?

25 A. Okay.



L76Qcal3

Raico - Cross

1 Q. Let's look at that attachment. Page 13 of the document.

2 Do you see that page 13 of this document is the interim  
3 financials for DMP International now through November 30. Do  
4 you see that?

5 A. I do.

6 Q. And how much income does the financial statement prepared  
7 by the accountants show?

8 A. Zero.

9 Q. And how much less than what Mr. Manafort would that be?

10 A. I don't remember what the last one said.

11 Q. 3,011,900 something? I'm sorry, 3,650,000 in income?

12 A. Okay.

13 Q. Okay? And do you see that the operating expenses have gone  
14 up from in the 600 thousands to the 1.16 million. Do you see  
15 that?

16 A. I do.

17 Q. So the document that the accountant sent you showed  
18 Mr. Manafort actually had no income and his expenses had almost  
19 doubled, correct?

20 A. Correct.

21 Q. Now, that was a red flag, right?

22 A. I guess.

23 Q. Yeah, I mean, you had received a document from Paul  
24 Manafort that you had used as the basis for his income  
25 calculation showing he had \$3.3 million of -- over \$3 million

L76Qcal3

Raico - Cross

1 of income, and now you learn that he actually had a loss of  
2 1.16 million, right?

3 A. On this document, yes.

4 Q. So who did you tell about that?

5 A. I don't know.

6 Q. Nobody, right?

7 A. I don't believe so.

8 Q. You hid that, correct?

9 A. There were P & Ls, K-1s, there were multiple documents and  
10 variations of income for this gentleman. Again, I'm on the  
11 sales side of the business. I don't completely analyze this.  
12 If I see something at face value, I'll try to make sense of it,  
13 but, you know, one minute he has income, the next minute he  
14 doesn't have income, and everybody knew about it.

15 Q. All right. When you say everyone knew about it, let me  
16 show you what's in evidence as Defense Exhibit 118. Let's go  
17 to page 2 of this document. I think it's page 2, second  
18 paragraph. So now we're on January 5. Do you see that?

19 A. I do.

20 Q. And this is an email from Mr. Horn again to you and  
21 Mr. Brennan. Do you see that?

22 A. Yes.

23 Q. And you see that Mr. Horn says, "How are the financials  
24 that I requested over a week ago coming?" Do you see that?

25 A. I do.

L76Qcal3

Raico - Cross

1 Q. All right. And do you remember how you responded. Will  
2 you read your email at the top on January -- well, you know  
3 what? Let's do one more. Let's go to the bottom of this page  
4 before we get there.

5 Isn't it true that on Friday, January 6, Mr. Horn  
6 followed up with you and said, "Dennis, Jim, any thoughts on  
7 this, Dennis? Financials? Any updates?"

8 A. Yes.

9 Q. And then you responded at the top, would you read what you  
10 said?

11 A. "I will check again with Cindy and Heather on the  
12 financials. Thanks."

13 Q. But you had already received the financials, correct?

14 A. I did.

15 Q. So when Mr. Horn and Mr. Brennan were asking for the  
16 updated financials, you had hid them from the underwriting  
17 department?

18 A. I didn't think it mattered at this point. We had so much  
19 information of variation of income from Mr. Manafort. Up,  
20 down; up, down; up, down, I couldn't make heads or tails of it.

21 Q. Mr. Raico, Mr. Manafort submitted a financial statement of  
22 July that said he had zero income, right?

23 A. I think so.

24 Q. Then when he restructured the loan, you told him you need  
25 to have income if we're going to do a cashout re-fi on the Jobs

L76Qcal3

Raico - Cross

1 Lane property, right?

2 A. The loan's now focused more on his income than additional  
3 collateral.

4 Q. So he sent you financials through September that suddenly  
5 showed he had 3,650,000 of operating income, right?

6 A. Yes.

7 Q. Which you told your assistant to enter into the system for  
8 the underwriting, right?

9 A. I believe I did.

10 Q. And you did not provide a copy of that document to the  
11 underwriters who continued to ask you for it?

12 A. I don't believe I did.

13 Q. And then you were asked to obtain an updated copy in  
14 December from Mr. Manafort's accounting professionals, right?

15 A. Yes.

16 Q. And that document showed that again Mr. Manafort was back  
17 to zero and not the 3 million he had showed you based on the  
18 September financials, right?

19 A. I believe so.

20 Q. And that was clear on its face, wasn't it, that  
21 Mr. Manafort was using you to defraud The Federal Savings Bank?

22 A. I wouldn't say that.

23 Q. And, Mr. Raico, I think we've established that you get paid  
24 on commission, right?

25 A. I do.

L76Qcal3

Raico - Cross

1 Q. So if the Jobs Lane Summerbreeze property loan had not gone  
2 through, you would not have gotten a commission?

3 A. Not on that particular transaction.

4 Q. So you needed Mr. Manafort to show income, and he provided  
5 it to you, right?

6 A. We needed the borrower to show realistic income on the file  
7 as opposed to just simply collateral, yes.

8 Q. So that loan closed, and you got a \$95,000 commission,  
9 right?

10 A. Less, paying for my own benefits and paying for my  
11 assistant.

12 Q. Mr. Calk's bank gave you \$95,000 less expense?

13 A. Less significant expenses.

14 Q. Largest commission you'd ever received in your life?

15 A. At The Federal Savings Bank, yes.

16 Q. And then you wanted to get a commission on the second loan,  
17 which was the Union Street loan, right?

18 A. Sure.

19 Q. And you received a financial statement that was directly  
20 contrary to what Mr. Manafort had said his income was, and you  
21 didn't provide it to the underwriting department?

22 A. Sir, there were a ton of documents going back and forth at  
23 this juncture.

24 Q. And the Union Street loan closed, right?

25 A. Yes, sir.

L76Qcal3

Raico - Cross

1 Q. And you got a \$65,000 commission less expenses?

2 A. Less paying for my own benefits and for my assistant.

3 Q. Yes. And Mr. Calk's bank paid you a commission?

4 A. They did, yes.

5 Q. And in the seven meetings that you had with different  
6 members of the government, not necessarily these people, did  
7 you ever tell them that you had deliberately withheld Paul  
8 Manafort's fraudulent financial statement in order to make sure  
9 you would get your commission?

10 A. No, because that's not what I believe I did.

11 Q. But you held the financial statement, right?

12 A. There were so many documents --

13 Q. Mr. Raico, my question is: Did you withhold the fraudulent  
14 financial statement from the underwriting department? Yes or  
15 no.

16 A. I don't believe I passed it on.

17 Q. And you got your commission, right?

18 A. I did.

19 Q. Mr. Raico, do you recall that there was another issue with  
20 Manafort's income in that he said that he was expecting a  
21 \$2.4 million notes receivable, right?

22 A. I recall that, yes.

23 Q. And you told Javier Ubarri, the president of the bank, that  
24 Mr. Manafort received that \$2.4 million receivable, right?

25 A. Which is what I was told.

L76Qcal3

Raico - Cross

1 Q. But there's no evidence that he did receive it, right?

2 A. I don't believe so.

3 Q. And there's no email telling you that he received it?

4 A. I don't believe so.

5 Q. So you told Mr. Ubarri -- you don't deny you told  
6 Mr. Ubarri that Mr. Manafort received the \$2.4 million in  
7 receivables, right?

8 A. Again, at that time that was the information that was given  
9 to me.

10 Q. The information -- let me show you what is in evidence as  
11 Government Exhibit 177. This is not for the truth of what's in  
12 here. This is just for what you are saying to Mr. Ubarri.

13 MR. MONTELEONI: Your Honor, if we could just have  
14 that as an instruction to the jury.

15 THE COURT: Ladies and gentlemen, the document that is  
16 being shown to you, is similar to other documents you have  
17 seen. It is not to suggest that what's in it is true, but to  
18 show what Mr. Ubarri was told.

19 Q. Mr. Raico, this is an email from you to Mr. Ubarri, right?

20 A. Yes.

21 Q. By the way, it's about the Manafort/Yohai loan, and you  
22 also reference the Bello loan, right?

23 A. Correct.

24 Q. Mr. Calk was talking to you also about the Bello loan,  
25 right?

L76Qcal3

Raico - Cross

1 A. Yes.

2 Q. The Bello loan was actually at that time for \$14 million?

3 A. Yes.

4 Q. It would be misleading to suggest that Mr. Calk didn't talk  
5 to you about other loans you were working on?

6 A. I didn't say he didn't talk to me about other loans.

7 Q. He talked to you about other loans that you were working  
8 on, right?

9 A. Yes.

10 Q. And the Bello loan was actually bigger than either of the  
11 Manafort loans, proposed loans?

12 A. Initially, yes.

13 Q. The Bello loan did not go through, right?

14 A. Correct.

15 Q. But you talked to Mr. Calk a bunch of times about it,  
16 right?

17 A. I've spoken with him before about it, yes.

18 Q. And in this email you provide an update to Mr. Ubarri, and  
19 you told him that the gross income for Jeff -- is that  
20 Mr. Yohai, Jeff?

21 A. Correct.

22 Q. -- is almost \$4 million, and for Paul is in excess of  
23 \$5 million. Do you see that?

24 A. Correct.

25 Q. You told Mr. Ubarri you were told that, right?



L76Qcal3

Raico - Cross

1 A. Yes.

2 Q. But it's not true. I mean, it isn't actually true; you've  
3 never seen a document that supports that claim?

4 A. No, but I was definitely told that.

5 Q. And the P & L that you received a couple weeks later --  
6 well, strike that. And you also write, "One of the questions  
7 from Jim and Tom was did Paul collect the \$2.4 million in  
8 receivables, and he did." Do you see that?

9 A. Yes.

10 Q. In terms of what Mr. Ubarri knew about the loan, that was  
11 information you provided to him?

12 A. Yes, which was passed on to me.

13 Q. Did you ever correct that?

14 A. I don't know.

15 Q. Did you ever get written documentation that any of the  
16 things you wrote in this email are correct?

17 A. I don't know.

18 Q. Do you remember that one of the pages of your notebook  
19 includes a reference to someone named Alan Bachman?

20 A. Yes.

21 Q. It was on one of the pages we looked at earlier, right?

22 A. Yes.

23 Q. Who is Alan Bachman?

24 A. He is the president of a Amerifund.

25 Q. What is Amerifund?

L76Qcal3

Raico - Cross

1 A. It's a mortgage bank, mortgage broker.

2 Q. And isn't it true that in the fall of 2016 as you were  
3 trying to get commission for yourself to refinance Manafort's  
4 and Yohai's properties that you engaged in an elaborate fraud  
5 on Alan Bachman?

6 A. What -- no, I don't believe so.

7 Q. You don't recall that you fabricated a series of documents  
8 in order to defraud Mr. Bachman into making loan -- trying to  
9 get him to make loans to Mr. Yohai and Mr. Manafort?

10 A. No.

11 Q. All right. And the government never asked you about that?

12 A. No.

13 Q. Okay. Well, do you remember that in October of 2016 you  
14 met with Mr. Bachman to see if he was interested in essentially  
15 funding loans to Yohai and Manafort?

16 A. I could have, yes.

17 Q. All right. Well, let me fresh your recollection. Defense  
18 Exhibit 841 just for the witness, identification only. Just  
19 look at this for a second. You can take it down.

20 I just wanted to ask you whether you remembered in  
21 October of 2016 trying to get Mr. Bachman interested in  
22 financing a loan for 2521 Nottingham?

23 A. Say that again, sir?

24 Q. Do you remember that after -- well, do you remember that in  
25 October 2016, you were talking to Mr. Bachman at Amerifund

L76Qcal3

Raico - Cross

1 about whether he would finance loans for some of the  
2 Yohai/Manafort properties. Do you remember that?

3 A. Briefly.

4 Q. And do you remember that you actually met with Mr. Bachman  
5 in Boston in late October?

6 A. I don't remember meeting with him in Boston, no.

7 Q. Well, let me show you Defense Exhibit 974 for  
8 identification. Just take a look at that. And I wanted to  
9 show you the bottom email too. Asking whether that refresh  
10 your recollection about meeting Mr. Bachman in Boston?

11 A. Looks like he made the request --

12 Q. Not asking you what it looks like. Just asking if it  
13 refreshes your memory. Does it refresh your memory?

14 A. It does.

15 Q. It does?

16 A. Yes.

17 Q. So, you remember meeting Mr. Bachman in Boston in late --

18 A. No. No. I said it looks like he invited me to meet with  
19 him.

20 THE COURT: So don't read from the document. The  
21 question is: Having looked at the document and now putting it  
22 aside, do you now remember meeting with Mr. Bachman in Boston?

23 A. I don't remember a meeting with Mr. Bachman in Boston.

24 Q. Do you remember talking to him about something called a  
25 wrap loan from The Federal Savings Bank that would refinance a

L76Qcal3

Raico - Cross

1 bunch of Mr. Yohai and Manafort's California properties?

2 A. Vaguely.

3 Q. Isn't it true that in your effort to broker a deal with  
4 Mr. Bachman that would refinance Mr. Manafort and Mr. Yohai's  
5 property, you fabricated a completely bogus term sheet. Isn't  
6 that true?

7 A. I don't recall.

8 Q. Well, let me show you what has been marked for  
9 identification only as Defense Exhibit 818. Take a look at  
10 that.

11 A. I don't remember that.

12 Q. Isn't it true, sir, that what you did was, you took a  
13 legitimate email from -- take it down -- isn't it true that you  
14 took a legitimate email from Javier Ubarri, and you doctored it  
15 so that it would appear that the bank's credit committee had  
16 approved a wrap loan to Mr. Yohai covering a bunch of  
17 California properties. Isn't it true that you did that?

18 A. I don't even know what a wrap loan is.

19 MR. SCHOEMAN: I'd like to offer Defense Exhibit 818  
20 which I just showed for identification, I'd like to offer it in  
21 evidence?

22 THE COURT: Any objection?

23 MR. MONTELEONI: Your Honor, we are not --

24 THE COURT: Just yes or no, please.

25 MR. MONTELEONI: Yes.

L76Qcal3

Raico - Cross

1 THE COURT: Overruled.

2 (Defendant's Exhibit 818 received in evidence)

3 Q. Could we display Defense Exhibit 818 in evidence. And  
4 could we put it side by side with Government Exhibit 156 in  
5 evidence?

6 Do you see Defense Exhibit 818 purports to be an email  
7 from Mr. Ubarri on Wednesday, September 21, 2016 at 5:09 p.m.?  
8 Do you see that?

9 A. I do.

10 Q. And to Mr. Brennan, Mr. Calk, Mr. Horn, also to Mr. Ubarri  
11 and cc'd to Mr. Norini. Do you see that?

12 A. I do.

13 Q. Do you see that the same email header at the same date and  
14 time appears on Government Exhibit 156. Do you see that?

15 A. I do.

16 Q. And do you see that the text on Government Exhibit 156  
17 says, "Jim, the committee approved this loan with this terms."  
18 Do you see that?

19 A. Yes.

20 Q. And that is the credit committee approval of the  
21 restructured Nottingham loan back on September 21, right?

22 A. Yes.

23 Q. And if we could highlight on Defense Exhibit 818 the first  
24 paragraph, Mr. Raico, could you read that out loud, please?

25 A. "The credit committee approved this wrap loan with terms

L76Qcal3

Raico - Cross

1 and forward commitments from Bank United, Blackstone,  
2 Gibraltar, and Goldman Sachs. As always, we are the lead  
3 participant assuming 65 percent of the risk, and the secondary  
4 participant will be assuming 35 percent."

5 Q. Mr. Raico, isn't it true that you fabricated the one on the  
6 left by doctoring Government Exhibit 156 on the right?

7 A. I don't believe so.

8 Q. Do you think Ms. Ivakhnik did it?

9 A. What am I fabricating here though? I don't follow.

10 Q. Mr. Raico, did the credit committee of The Federal Savings  
11 Bank ever approve a wrap loan with forward commitments from  
12 Bank United, Blackstone, Gibraltar, and Goldman Sachs? Did  
13 that ever happen?

14 A. No, I don't who know who half those banks are.

15 Q. Below, it says, specific properties. It's blue Jay Way  
16 Stradella Road, Union Street. Do you see that?

17 A. Yes.

18 Q. The Federal Savings Bank credit committee never approved  
19 any kind of loan for Blue Jay Way or Stradella Road, correct?

20 A. Correct.

21 Q. But you told Mr. Bachman, am I right, that your bank, The  
22 Federal Savings Bank, had approved a wrap loan for Mr. Yohai  
23 for these properties. Didn't you do that?

24 A. I don't know. I don't believe so.

25 MR. SCOTTEN: Your Honor, could we take a pause.

L76Qcal3

Raico - Cross

1 They've offered something in evidence, and they haven't given  
2 it to us, and we just want to look at what they're looking at.

3 THE COURT: Let's just pause a minute so they can look  
4 at it.

5 (Pause)

6 Q. Defense Exhibit 818, could I see the full document?

7 THE COURT: Sorry. What did you just say?

8 MR. SCHOEMAN: Defense Exhibit 818. I just want to  
9 see the full document.

10 Q. Do you see, Mr. Raico, that on the top part of this email,  
11 this is actually the version that Mr. Ubarri forwarded to you  
12 on September 21 of his original email. Do you see that?

13 A. I see that.

14 Q. And just the full top of the email, just to be clear, does  
15 not indicate that you sent it to anyone, right?

16 A. Okay.

17 Q. But you created this, right?

18 A. I don't -- I don't remember ever seeing this.

19 Q. Okay. Didn't you in your discussions with Mr. Bachman at  
20 Amerifund, didn't you tell him that exactly this loan that is  
21 set forth in Defense Exhibit 818 had been approved by The  
22 Federal Savings Bank?

23 A. I don't remember having that conversation.

24 Q. All right. You could take that down. Let me show you  
25 Defense Exhibit 831, just for the witness in identification.

L76Qcal3

Raico - Cross

1 Sorry. I am going to do this in order.

2 Let me show you Defense Exhibit 857. Let's look at  
3 857-A. We could take it all down. I'm just going to ask  
4 Mr. Raico. Do you remember having an extensive series of  
5 conversations and emails with Mr. Bachman promising him that  
6 The Federal Savings Bank was going to refinance Yohai's  
7 California properties, Yohai and Manafort's California  
8 properties?

9 A. I do not recall having that conversation with Mr. Bachman.

10 Q. If you had had that conversation, that would be false  
11 because that never happened, right?

12 A. Again, I don't recall having that conversation.

13 Q. Okay. Well, isn't it true that you told Mr. Bachman that  
14 the 2401 Nottingham loan was supposed to close on November 15?  
15 Didn't you tell that to Mr. Bachman?

16 A. I don't know. I don't remember.

17 Q. Just to be clear, the Nottingham loan, Mr. Manafort walked  
18 away from the Nottingham loan on October 19, right?

19 A. Correct.

20 Q. So if you had told Mr. Bachman on November 15 that -- if  
21 you had told him that it was going to close on November 15,  
22 that would be false?

23 A. I could see that logic.

24 Q. So, let me show you Defense Exhibit 831. Just for the  
25 witness, it's identification. I'm just asking you whether you



L76Qcal3

Raico - Cross

1 told Mr. Bachman on October 25 that The Federal Savings Bank  
2 was going to fund a loan for 2401 Nottingham on November 15.  
3 Did you do that?

4 A. Looking at this email, I could have.

5 Q. I'm just asking whether you remember that you did it?

6 A. I don't remember.

7 Q. But if you had done it, it would be a lie?

8 A. Pardon me?

9 Q. If you had said it, it would be a lie?

10 A. I don't know the crux behind this email.

11 Q. Let just be clear. The 241 Nottingham loan was dead in the  
12 water on October 19, right?

13 A. Yes, but there were four or five other California  
14 properties that were continually trying to get back into the  
15 mix.

16 MR. SCHOEMAN: I offer for impeachment purposes  
17 Defense Exhibit 831 and 831-A. If we just go up. I offer 831  
18 and its attachment 831-A.

19 MR. MONTELEONI: No objection.

20 THE COURT: It's admitted.

21 (Defendant's Exhibits 831 and 831-A received in  
22 evidence)

23 Q. This is your email to Mr. Bachman on October 25, right?

24 A. Correct.

25 Q. And you write, "Attached is the appraisal for 2401

L76Qcal3

Raico - Cross

1 Nottingham. The project is approximately 75 percent complete."

2 Do you see that?

3 A. I do.

4 Q. By the way, that wasn't true either, was it?

5 A. I don't know. I've never been to the property, and that's  
6 the information I was being told.

7 Q. But you had the appraisals, right? Yes?

8 A. I -- I can't see it.

9 Q. You say, "I will send you our approval term sheet under  
10 separate cover. Our anticipated timing to fund is by  
11 November 15." Do you see that?

12 A. I do.

13 Q. But you were not going to fund a loan for 2401 Nottingham  
14 on the 15th, right, because that deal died on October 19?

15 A. That did, as -- yes.

16 Q. Now, Mr. Bachman caught up with you and asked you for  
17 that -- Mr. Bachman -- you were trying to get Mr. Bachman  
18 interested in refinancing The Federal Savings Bank's loans to  
19 Yohai and Manafort, right?

20 A. No. They were outstanding loans in California that we  
21 didn't know whether or not we had an interest in, and they --  
22 Felix Katz, Jeff Yohai kept coming back to me asking me if  
23 there was any way there was life left in these loans. That's  
24 why I was approaching Alan Bachman to see if there was any  
25 interest on his side.

L76Qcal3

Raico - Cross

1 Q. What you were telling Mr. Bachman was that The Federal  
2 Savings Bank was going to take out the existing debt on those  
3 loans and Mr. Bachman would then take out The Federal Savings  
4 Bank. That's what you were discussing, right?

5 A. I don't know if we got that detailed.

6 THE COURT: Can you speak into the mic?

7 A. I'm not sure we got into that much detail.

8 Q. Well, he asked you for a version of the 2401 Nottingham  
9 term sheet, and you sent it to him, right?

10 A. I don't know.

11 Q. Well, let me show you what's been marked for identification  
12 as DX-840. Let's show the witness 840-A. My question for you,  
13 take it down, is whether in late October, you sent Mr. Bachman  
14 the term sheet for the 2401 Nottingham loan?

15 A. I don't remember.

16 Q. And the reason that you were sending it -- were asked to  
17 send it to him was to show that The Federal Savings Bank was on  
18 track to make a loan in November that you knew was not actually  
19 going to happen, right?

20 A. I don't know.

21 Q. Well, isn't it true that you lied to Mr. Bachman and told  
22 him that the loan had been delayed because Paul Manafort was  
23 traveling. Isn't that what you did?

24 A. I'm not sure.

25 Q. Well, let's go back to Defense Exhibit 840. Let me ask you

L76Qcal3

Raico - Cross

1 this: The 2401 Nottingham loan was not delayed because Paul  
2 Manafort was traveling, right?

3 A. I don't remember my conversations with Alan Bachman back  
4 five years ago on a loan that was about to fund, got pulled at  
5 the closing table, then there were additional properties in  
6 California that they had so much interest in moving forward.  
7 Ultimately confusing.

8 MR. SCHOEMAN: Yes. Defense offers Defense Exhibit  
9 840 and 840-A.

10 MR. MONTELEONI: No objection.

11 THE COURT: Admitted.

12 (Defendant's Exhibit 840 and 840-A received in  
13 evidence)

14 Q. Mr. Raico -- can we publish to the jury? Is this your  
15 email in which you tell Mr. Bachman, "Attached is the approval  
16 term sheet for Jeff and Paul." Do you see that?

17 A. I see that.

18 Q. You say, "Look at the last paragraph as we had initially  
19 approved this back in August." Do you see that?

20 A. I see that.

21 Q. And you wrote, "Due to Paul's travels it has been delayed."  
22 Do you see that?

23 A. I see that.

24 Q. You say, "we are set for closing right after the election,"  
25 right?

L76Qcal3

Raico - Cross

1 A. I see that.

2 Q. Let's see what it is you attached. Can we see the whole  
3 thing? Okay. That is the term sheet from July that you --  
4 well, that has your name on it, right?

5 A. Yes.

6 Q. Still not signed, by the way, right?

7 A. Correct.

8 Q. And you sent Mr. Bachman this email on October 27 to say  
9 "This is the term sheet for a loan we're going to close,"  
10 right?

11 A. I could have.

12 Q. But that loan was not going to close because Mr. Manafort  
13 had walked away on October 19, right?

14 A. Yes.

15 Q. And it wasn't even the latest version of the term sheet  
16 because the terms had been restructured in September to add the  
17 Jobs Lane property, right?

18 A. Yes.

19 Q. So when you sent Mr. Bachman, we go back to Defense Exhibit  
20 840, and you said, "This is the approval term sheet for Jeff  
21 and Paul," look at the last paragraph, "we had initially  
22 approved back in August and due to Paul's travels, it has been  
23 delayed," that was a lie?

24 A. This could have simply been trying to upsell the file to  
25 see if Mr. Bachman had interest in it.

L76Qcal3

Raico - Cross

1 Q. You -- all right. Well, Mr. Bachman actually asked you,  
2 you said let me know if you need an executed copy, and he asked  
3 you for an executed copy, right?

4 A. He did.

5 Q. All right. And it's at that point that you obtained the  
6 executed copy from Mr. Yohai, right, on October 27?

7 A. I don't remember.

8 Q. Well, we showed you this earlier. Let's go back real quick  
9 to Defense Exhibit 164. Do you remember this exhibit? And the  
10 attachment is 164-A that has Mr. Yohai's signature on the 27th,  
11 right?

12 A. Yes.

13 Q. Isn't it true, Mr. Raico, that the reason that you  
14 ultimately obtained a signature on this term sheet on  
15 October 27 is so you could use it to defraud Mr. Bachman?

16 A. No, I was not looking to defraud anyone.

17 Q. Then he asked you, didn't he, for a term sheet for a  
18 different property, the 2521 Nottingham property. Do you  
19 remember he asked you for that?

20 A. No, again, there were multiple California properties.

21 Q. Well, do you remember for the multiple California  
22 properties that you created one of your multiple fake term  
23 sheets?

24 A. No.

25 Q. Okay. Let me show you Defense Exhibit 857.

L76Qcal3

Raico - Cross

1 THE COURT: I don't know if this line of questioning  
2 is ending any time soon, but we're nearing lunchtime or we're  
3 past nearing lunch time. So you can ask a couple more  
4 questions or we could break now, whichever you prefer.

5 MR. SCHOEMAN: I will just do this document, your  
6 Honor.

7 THE COURT: All right.

8 MR. SCHOEMAN: Thank you.

9 Q. Just take a look at this, and let's show the witness  
10 Defense Exhibit 857-A.

11 THE COURT: Are these for identification?

12 MR. SCHOEMAN: Just for identification.

13 Q. The question is, Mr. Raico, did you create a -- you could  
14 take it down.

15 Just out of your recollection, isn't it true you  
16 created a bogus term sheet for 2521 Nottingham to provide to  
17 Mr. Bachman in an effort to defraud him?

18 A. No.

19 MR. SCHOEMAN: Defense offers Defense Exhibit 857,  
20 857-A.

21 MR. MONTELEONI: Objection. Can we take this up on  
22 the break?

23 THE COURT: We can.

24 MR. SCHOEMAN: Okay, we'll take a break.

25 THE COURT: Ladies and gentlemen, we are going to

L76Qcal3

Raico - Cross

1 break for lunch, and we will break until 2:00. And please  
2 don't talk about the case or anything related to it, and enjoy  
3 your lunch. And go light on carbs, please.

4 (Jury not present)

5 THE COURT: Mr. Raico, you can be excused.

6 (Witness not present)

7 MR. MONTELEONI: Your Honor, with respect to  
8 Government Exhibit 857, we don't think this is --

9 MR. ANDALMAN: Robert Andelman, counsel for the  
10 witness.

11 Your Honor, if I could have your leave to explain to  
12 Mr. Raico why it is I can't speak to him.

13 THE COURT: Yes, you may explain to him why you can't  
14 speak to him about his testimony or the case.

15 MR. ANDALMAN: I appreciate that. It just was awkward  
16 at the last break.

17 THE COURT: I understand. You can eat lunch with him.  
18 You can talk about anything else.

19 MR. ANDALMAN: Totally understood.

20 THE COURT: All right.

21 MR. ANDALMAN: Thank you, your Honor.

22 THE COURT: So do you want to talk about this exhibit.

23 MR. MONTELEONI: Yes, your Honor. Our concern with  
24 this exhibit is that it's being offered to impeach his  
25 statement but his statement no was in response to lengthy



L76Qcal3

Raico - Cross

1 compound question with legal conclusions about whether this was  
2 offered in a scheme to defraud or something. So we don't think  
3 that the fact that this email was sent is directly inconsistent  
4 with that.

5 You know, we also would note we didn't want to get  
6 into a bunch of speaking objections, but defense counsel has  
7 been showing documents such as the I think 818, which defense  
8 counsel presented as something that passed through Mr. Raico's  
9 hands, but there's no indication whatsoever on the document,  
10 and we weren't even shown the entirety of the document at the  
11 time of making the objection -- of being able to object or not.  
12 So it came in without us having even seen it.

13 So, I think we would request that we be given the  
14 documents and given an opportunity to review them and to make  
15 any objections, and we think that defense counsel should, you  
16 know, he's made a lot of headway, he's done what he's done, but  
17 we think that in order to have a clear record, we should get  
18 clear, you know, questions with clear inconsistencies before  
19 there's going to be admission and we don't think the last  
20 question was that.

21 MR. SCHOEMAN: Your Honor, just to be clear, what I'm  
22 doing, I'm showing -- I'm impeaching the witness not through  
23 prior false statement but through acts that impact on his  
24 credibility by showing he's dishonest by creating false  
25 documents. So I'm not trying to show inconsistency. If he

L76Qcal3

Raico - Cross

1 were just to remember, frankly, and say, "I did all of this,"  
2 then I'd do it much faster and, we'd be done.

3 THE COURT: And you would still offer the document, I  
4 presume?

5 MR. SCHOEMAN: I can still offer the documents not as  
6 an inconsistent statement but as evidence of deceitful conduct  
7 which impeaches his credibility. Now that we're on cross, I'm  
8 happy to actually go through and hand some documents to the  
9 government. I obviously didn't want to provide them --

10 THE COURT: I understand.

11 MR. SCHOEMAN: And that's what I'm doing, and then  
12 I'll stop doing that, and I'll do something else.

13 THE COURT: All right. Let's break.

14 MR. SCOTTEN: I would suggest, and this would expedite  
15 it. It's been my practice once the witness gets up on cross,  
16 you just walk over and hand over your exhibits because he is  
17 now no longer getting prepped on them and that would allow us  
18 to quickly respond to objections.

19 MR. SCHOEMAN: I will try to do that. So, just to be  
20 clear, I've got a lot of things and I'm only using some small  
21 fraction of it. So I will try to give you what I think I'm  
22 going to use.

23 MS. ROTHMAN: Your Honor, one issue to raise. I don't  
24 know if the Court wanted to take up the question of  
25 Mr. Lemanski's testimony. I don't know how much longer

L76Qcal3

Raico - Cross

1 Mr. Schoeman has, but if it's less than an hour, I think it's  
2 likely we will get to Mr. Lemanski today, and there was a  
3 motion by the defense to preclude at least two aspects of his  
4 testimony. I don't know if the Court wants argument or intends  
5 to rule, but I'm happy to address the Court if there are any  
6 questions.

7 THE COURT: Do you have less than an hour, do you  
8 think.

9 MR. SCHOEMAN: I don't think it's -- no, I don't think  
10 it's less than an hour. We are not going fast.

11 THE COURT: So, here is what we're going to do. I  
12 have looked at the letters, but I want to look at them again.  
13 I'll come back and rule quickly based on the letters and not  
14 hear argument, and that way we can just keep moving.

15 MS. ROTHMAN: Thank you, your Honor.

16 MR. SCOTTEN: On that subject then, your Honor, at  
17 some point I do think there is a cumulativeness objection.  
18 Mr. Raico had a 45 minute direct. I think Mr. Schoeman has  
19 done an admirable job shooting the fish in a barrel. At some  
20 point we're talking about the Alan Bachman fraud now, which is  
21 collateral. It is not about his interaction with defendant.

22 Look, we all get there's plenty of leeway here. At  
23 some point the cross should be some reasonable ratio to the  
24 length of the direct and the importance of Mr. Raico to the  
25 case. You don't like speaking objections, so I put that out

L76MCAL4

Raico - Cross

1 there now.

2 THE COURT: I understand and I don't think we've  
3 reached that point yet. If you go on for days I think we will  
4 have reached that point.

5 MR. LaVERNE: I think I will object at that point.

6 THE COURT: I will leave that to you then. Let's take  
7 a break.

8 (Luncheon recess)

9 AFTERNOON SESSION

10 2:00 p.m.

11 THE COURT: I wanted to rule on the application  
12 concerning Mr. Lemanski.

13 The defendant had requested to preclude OCC witness  
14 Benjamin Lemanski from testifying about a statement that  
15 Mr. Calk made saying that --

16 MS. ROTHMAN: Your Honor, the witness is on the stand.

17 THE COURT: I don't think -- it doesn't relate to his  
18 testimony.

19 Basically to preclude a statement that Mr. Calk made  
20 during the November 15, 2016 meeting and, also, another  
21 statement that Mr. Calk had made during a May 2017 meeting.

22 I am going to grant the defendant's motion to  
23 preclude, based on Rule 403.

24 With respect to the first statement, its probative  
25 value, I think, is slight at best. The defense admits that

L76MCAL4

Raico - Cross

1 Mr. Calk was interested in a government job. What is denied is  
2 that there was any *quid pro quo*. I don't think there is  
3 anything about the statement in issue that bears on the *quid*  
4 *pro quo*. To the extent that it does, it is slight and is  
5 outweighed by the prejudice of the jury coming away from that  
6 statement with a view that the defendant is a self-important  
7 bully, which is obviously not the issue in the trial and would,  
8 therefore, be prejudicial and inappropriately so.

9 My analysis is similar as to the second statement.  
10 The government offers it because the government claims it bears  
11 on the value of the assistance Mr. Manafort had offered to  
12 Mr. Calk. I don't actually see that, particularly because  
13 there is about the position that Mr. Calk had that is  
14 referenced in that statement, at least not as it was presented  
15 to me.

16 As to those two applications, the defense motion is  
17 granted.

18 The defense motion is denied as to eliciting  
19 Mr. Lemanski's title, particularly since he's not a high-level  
20 person at the OCC, and since the defense is perfectly entitled,  
21 if they wish to, to elicit from him on cross that he's  
22 basically a mid-level person in the rank or hierarchy.

23 I will give the instruction that the defendant  
24 requested and that the government agrees to, which is similar  
25 to the instruction I gave for Mr. Paulson and the other OCC

L76MCAL4

Raico - Cross

1 witness.

2 MR. MONTELEONI: Thank you, your Honor.

3 THE COURT: You may get the jury.

4 (Jury present)

5 BY MR. SCHOEMAN:

6 Q. Mr. Raico, I believe where we left off, I had marked for  
7 identification as Government Exhibit 857 and 857-A.

8 MR. SCHOEMAN: I think I offered it and I'm not sure  
9 it was admitted yet.

10 THE COURT: As I recall, there was no objection.

11 MR. MONTELEONI: I believe there is an objection that  
12 the Court overruled.

13 THE COURT: They are admitted.

14 (Government Exhibits 857 and 857-A received in  
15 evidence)

16 Q. Mr. Raico, is 857-A on the right side a phony term sheet  
17 that you created with respect to the 2521 Nottingham property?

18 A. It looks like a term sheet.

19 Q. But is it a phony one in that the loan committee never  
20 actually approved this?

21 A. I do not believe the loan committee actually approved that.

22 Q. So is this one that you created in order to send to  
23 Mr. Bachman?

24 A. Again, I don't know exactly when and how it was created,  
25 but, yes. I believe this is the one that was sent to

L76MCAL4

Raico - Cross

1 Mr. Bachman.

2 Q. Just to go back one step, do you remember that all of your  
3 dealings with Mr. Bachman at this time were with respect to a  
4 wrap loan that you had told Mr. Bachman the Federal Savings  
5 Bank was going to make?

6 A. I don't remember. I know Mr. Bachman and I were discussing  
7 several different loans.

8 Q. Let me just go back to Defense Exhibit 974, which is not  
9 yet in evidence, for identification. I just ask you to look at  
10 the top e-mail and the question is, is this an e-mail from  
11 Mr. Bachman to you discussing a wrap loan from the Federal  
12 Savings Bank?

13 A. Yes.

14 MR. SCHOEMAN: Defense offers Defense Exhibit 974.

15 MR. MONTELEONI: No objection.

16 THE COURT: It's admitted.

17 (Defendant's Exhibit 974 received in evidence)

18 MR. SCHOEMAN: Show the whole e-mail, please,  
19 Mr. McCloud.

20 Q. You see at the bottom this is an e-mail in which you asked  
21 Mr. Bachman whether we could meet for lunch.

22 A. Yes.

23 MR. SCHOEMAN: If we can go to the next page, the  
24 second page.

25 Q. You see that he had previously told you that he's in Boston

L76MCAL4

Raico - Cross

1 now and he's telling you where he is staying?

2 A. Correct.

3 Q. Again, does this refresh your memory that you actually had  
4 a lunch with Mr. Bachman to discuss these matters?

5 A. This is the lunch we are referring to in Boston?

6 Q. Yes. Do you remember that?

7 A. I do not recall having lunch with him in Boston.

8 Q. What about in New York?

9 A. I've had lunch with Mr. Bachman before in New York.

10 MR. SCHOEMAN: Let's go to the top e-mail.

11 Q. Do you see that in No. 2 he says: We would like to know  
12 the approximate timing of the wrap loan from the Federal  
13 Savings Bank. Do you see that?

14 A. I see that, yes.

15 Q. Do you see that he says: As previously mentioned, it would  
16 be helpful to obtain the commitment for the wrap loan with all  
17 the conditions as well as the appraisal for 2401 Nottingham.  
18 You see that?

19 A. I see that.

20 Q. My question for you, sir, is, isn't it a fact that after  
21 this, you engaged in a series of e-mail exchanges with  
22 Mr. Bachman in which you pretended that the Federal Savings  
23 Bank was going to make a wrap loan for Mr -- for the California  
24 properties. Isn't that what happened?

25 A. I can't answer accurately on that. I have to see the



L76MCAL4

Raico - Cross

1 e-mails.

2 Q. You don't remember sending a lot of e-mails to Mr. Bachman  
3 pretending that there was going to be a wrap loan?

4 A. Mr. Bachman and I were talking about multiple loans,  
5 several different clientele over the course of many years. So  
6 I don't remember this one in particular as far as a wrap loan.

7 Q. Were all of those based on lies and bogus term sheets?

8 A. No, sir.

9 Q. Was this one based on lies and bogus term sheets?

10 A. I don't know.

11 Q. You couldn't say one way or the other?

12 A. I would say that I was looking to make sure that I would  
13 have Alan's interest.

14 Q. Isn't it a fact that you sent Mr. Bachman a term sheet for  
15 2521 Nottingham that was not approved by the loan committee,  
16 right?

17 A. I -- was that the term sheet that you were referring to,  
18 sir?

19 Q. I'm just asking you whether you remember doing that.

20 A. I don't remember doing that.

21 Q. I'm asking you whether he asked you whether it was a valid  
22 term sheet and you assured him that it was. Do you remember  
23 doing that?

24 A. I do not remember doing that.

25 Q. Let me show you what's in evidence -- not in evidence --

L76MCAL4

Raico - Cross

1 for identification, Defense Exhibit 978.

2 Is this an e-mail from you to Mr. Bachman in which you  
3 tell him that a term sheet for 2521 Nottingham is a valid term  
4 sheet, even though it isn't?

5 A. That's what it says, yes.

6 MR. SCHOEMAN: The defense offers Defense Exhibit 978.

7 MR. MONTELEONI: No objection.

8 THE COURT: It's admitted.

9 (Defendant's Exhibit 978 received in evidence)

10 MR. SCHOEMAN: Let's look at the second page of that  
11 e-mail for a second.

12 Q. You see that on this e-mail Mr. Bachman has e-mailed you  
13 and in the middle paragraph he said in bold: None of them  
14 still contain the term sheet you mentioned you would send. You  
15 see that?

16 A. I see that.

17 Q. And then going up to the e-mail we were just looking at,  
18 would you read your response to Mr. Bachman.

19 A. Hi, Alan, I made the request from Jeff to receive the link  
20 files via scanned PDF, and I'm sure that we will receive them  
21 shortly. Regarding the DOCS from me, you have received the  
22 2521 term sheet from me. It appears that the only way to  
23 retrieve the original dated term sheet is when I am available  
24 in my Manhattan office. I will be in Connecticut tomorrow and  
25 not able to retrieve. That said, regardless of the date, it is

L76MCAL4

Raico - Cross

1 a valid term sheet coming directly from an officer of the bank.

2 Q. Could you point out any part of that e-mail that's true?

3 A. I am not sure.

4 Q. When you say that regardless of the date, it is a valid  
5 term sheet coming directly from an officer of the bank, it's  
6 true you were an officer of the bank, right?

7 A. I believe so.

8 Q. But it was not a valid term sheet, right?

9 A. I don't believe so.

10 Q. Do you remember then that after this Mr. Bachman kept  
11 asking you for a valid term sheet and you kept deceiving him?

12 A. I don't remember specifically.

13 Q. Well, let me show you what's marked for identification  
14 Defense Exhibit 979. Is this an e-mail where Mr. Bachman asked  
15 you again for 2521 term sheet?

16 A. Yes.

17 MR. SCHOEMAN: Defense offers Defense Exhibit 979.

18 MR. MONTELEONI: No objection.

19 THE COURT: It's admitted.

20 (Defendant's Exhibit 979 received in evidence)

21 Q. Mr. Raico, we can look at the date of that. That's October  
22 31, 2016. You see that?

23 A. Yes.

24 Q. When you responded to that you created another fake term  
25 sheet, right?

L76MCAL4

Raico - Cross

1 A. I don't know.

2 Q. Don't remember one way or the other?

3 A. I haven't seen one.

4 Q. Let me show you Defense Exhibit 862.

5 THE COURT: For identification?

6 MR. SCHOEMAN: For identification.

7 Q. Just look at the date and the question is, is this your  
8 response to Mr. Bachman in closing a term sheet?

9 A. Yes, it appears to be.

10 MR. SCHOEMAN: I offer Defense Exhibit 862 and 862-A  
11 as the attachment.

12 MR. MONTELEONI: No objection.

13 THE COURT: They are admitted.

14 (Defendant's Exhibits 862 and 862-A received in  
15 evidence)

16 Q. Mr. Raico, you see the subject of that is 2521 original  
17 term sheet?

18 A. I do.

19 Q. Can we look at the attachment, 262-A. You see that this is  
20 a term sheet for 2521 Nottingham, dated September 1. Do you  
21 see that?

22 A. Yes.

23 Q. That's another false term sheet because it was never  
24 approved by the loan committee at bank, right?

25 A. I don't believe it was.

L76MCAL4

Raico - Cross

1 Q. Never even discussed.

2 A. I don't know.

3 Q. Mr. Raico, do you believe, sitting here now, that over the  
4 next few weeks you continued to send false fraudulent documents  
5 to Mr. Bachman to try to get him to do a deal with you?

6 A. No, I don't believe so.

7 Q. Do you remember that you forwarded Mr. Bachman's e-mails to  
8 Mr. Yohai and you doctored those extensively?

9 A. No, I don't remember that.

10 Q. Could have happened, right?

11 A. I didn't say that.

12 Q. Do you remember that you didn't doctor them?

13 A. I don't remember that I did either.

14 Q. Let me show you what's been marked for identification  
15 Defense Exhibit 980, just for identification.

16 Is that an e-mail from Mr. Bachman to you on November  
17 3?

18 A. Yes.

19 MR. SCHOEMAN: Without publishing it yet to the jury,  
20 can we also put side by side Defense Exhibit 981.

21 Q. Look at the bottom e-mail. Let me ask you this, just for  
22 you, because you're the only one who can see this. Is this  
23 Defense Exhibit 981 an altered version of Defense Exhibit 980,  
24 the bottom e-mail?

25 A. These are both e-mails that are sent to me?

L76MCAL4

Raico - Cross

1 Q. No. The one on the left is one from Alan Bachman and the  
2 one on the right is something you forwarded. I'm asking you,  
3 sir, did you doctor the e-mail you got from Alan Bachman before  
4 you forwarded it to Mr. Yohai?

5 A. I don't remember.

6 MR. SCHOEMAN: Defense offers DX-980 and 981.

7 MR. MONTELEONI: No objection.

8 THE COURT: They are admitted.

9 (Defendant's Exhibits 980 and 981 received in  
10 evidence)

11 Q. Let's look at them side by side. 981 on the top. That's  
12 an e-mail from you -- let's get the full top for the one on the  
13 right. No. Not that one. That one.

14 This is an e-mail from you to Mr. Yohai and Mr. Katz,  
15 right?

16 A. Yes.

17 Q. It says: Gents, this is directly from the hedge fund. You  
18 see that?

19 A. I do.

20 MR. SCHOEMAN: And then let's look at the bottom.

21 Q. Do you see that that's what you forwarded under -- after  
22 you wrote, this is directly from the hedge fund, right?

23 A. I see that.

24 Q. And that was doctored because it is actually very far from  
25 what the hedge fund actually sent you, isn't it?

L76MCAL4

Raico - Cross

1 A. Could be.

2 Q. The one on the right says: Dennis, waiting to approve. I  
3 need ASAP. Do you see that?

4 A. I do.

5 Q. Then it has a few things below that. Do you see that?

6 A. I do.

7 Q. Let go to the one on the left. That one says: Dennis, we  
8 have interest, I need ASAP, right?

9 A. Yes.

10 Q. Then there are other changes as well.

11 Let's look at the sentence at the bottom of the one of  
12 the left. It says: Getting certainty that Federal Savings  
13 will most likely be taking them out is very important, so we  
14 need signed agreements applications. You see that?

15 A. I do.

16 Q. That was Mr. Bachman saying to you that in order for him to  
17 consider the loan that you wanted him to do, he would need  
18 proof that the Federal Savings Bank was going to do a takeout  
19 of these loans, right?

20 A. That's what he's saying, yes.

21 Q. When you forwarded that and says this is directly from the  
22 hedge fund, let's look at that e-mail, the one on the right.

23 MR. SCHOEMAN: Scroll up a little bit so we see the  
24 bottom. 981. Scroll up so we can see the next page.

25 Q. So you took that out, right?

L76MCAL4

Raico - Cross

1 A. Looks like that.

2 Q. Again, what you were doing is trying to convince  
3 Mr. Bachman that you were going to be in some imminent deal  
4 with Yohai and Manafort on the California properties and you  
5 sent a lot of false e-mails to do that, right?

6 A. Again, there were multiple California properties, multiple  
7 different variations. Just looking to see if one of our  
8 brokers had any level of interest on any of them, all of them,  
9 some of them.

10 Q. Mr. Raico, when you say you are looking to see whether  
11 there was any level of interest, isn't it a fact that you sent  
12 numerous false, bogus, and edited e-mails in order to drum up  
13 business so you could get a commission? Is that what happened?

14 A. I don't believe so.

15 Q. Mr. Raico, do you know how many more of these e-mails with  
16 Mr. Bachman you had?

17 A. I don't.

18 Q. Can you tell this jury that you didn't doctor or alter any  
19 more e-mails involving Mr. Bachman?

20 A. I am not quite sure. I don't know.

21 Q. You couldn't tell them that there is not a lot more  
22 e-mails, right?

23 A. I don't know.

24 Q. Why don't you know, Mr. Raico?

25 A. It was five and a half years ago, sir.



L76MCAL4

Raico - Cross

1 Q. Have you committed so much bank fraud in the last five and  
2 a half years that this one doesn't stick out?

3 A. No.

4 Q. You are under oath and you have immunity. Are there other  
5 bank frauds that you have committed that cause you not to  
6 remember this one?

7 A. No, I don't so.

8 Q. But this one doesn't stick out?

9 A. This one in particular, no.

10 THE COURT: Could you keep your voice up, please.

11 Q. Let's do something else.

12 Mr. Raico, when you were interviewed in June of 2017,  
13 you told the FBI that you had an MBA from NYU, right?

14 A. I am not sure what I exactly said, but I do not have an MBA  
15 from NYU.

16 Q. But didn't you tell the FBI on June 27 that you have an MBA  
17 from NYU Stern School of Business?

18 A. I don't recall making this statement, but that is not a  
19 true statement.

20 Q. One of the reasons you recall it is that you had to testify  
21 about that statement in front of a grand jury later that year,  
22 is that right?

23 A. Correct.

24 Q. In front of the grand jury you had to say that if you had  
25 made that statement it would not be true.

L76MCAL4

Raico - Cross

1 A. Correct.

2 Q. So you were interviewed by the FBI, you say you don't  
3 remember, but later that year you told the grand jury under  
4 oath that if you had made that statement it would not be true,  
5 right?

6 A. Correct.

7 Q. Doesn't your current LinkedIn page currently say that you  
8 have an MBA from NYU?

9 A. That was created by our marketing department.

10 Q. So it does say it, right?

11 A. I believe so.

12 Q. So you were interviewed by the FBI, you don't remember  
13 whether you said that you have an MBA from NYU, right? You  
14 don't remember that, right?

15 A. Correct.

16 Q. When you were in the grand jury the government had you  
17 explain that if that was true it would be -- if you had said  
18 it, it would be false, right?

19 A. That's what I said.

20 Q. Because you know you don't have an MBA from NYU?

21 A. I don't.

22 Q. After seven meetings with the government, testifying in  
23 front of a grand jury and a trial jury in other matters, you  
24 still have on your LinkedIn page that you have an MBA from NYU?

25 A. Sir, I haven't created that LinkedIn page.

L76MCAL4

Raico - Cross

1 Q. It's your LinkedIn page, right?

2 A. Yes.

3 Q. Why did you lie about it?

4 A. I just said I didn't create that LinkedIn page.

5 Q. Did Anna Ivakhnik create it?

6 A. No.

7 Q. Elizabeth Cholakis?

8 A. No.

9 Q. Mr. Raico, you worked in the mortgage industry for over 20  
10 years?

11 A. Yes, sir.

12 Q. And during your meetings with government prosecutors, not  
13 necessarily these, they asked you about all of the places you  
14 worked, right?

15 A. Yes.

16 Q. And you told them you worked at JP Morgan Chase Bank,  
17 right?

18 A. Correct.

19 Q. You told them you worked at New York Mortgage Company,  
20 right?

21 A. Correct.

22 Q. You told them you worked at Countrywide Home Loans, right?

23 A. Correct.

24 Q. You told them you worked at Guaranteed Rate Mortgage,  
25 right?

L76MCAL4

Raico - Cross

1 A. Yes.

2 Q. And you told him you worked at Sunwest Bank, right?

3 A. Yes.

4 Q. At that time you were working at the Federal Savings Bank,  
5 right?

6 A. Yes.

7 Q. You never mentioned, when you were interviewed by the FBI  
8 about your background -- by the government about your  
9 background, that you had also worked at a place called Contour  
10 Mortgage, right?

11 A. Yes.

12 Q. You did work at Contour Mortgage?

13 A. Briefly.

14 Q. You didn't mention that when you were interviewed by the  
15 government about your job history.

16 A. It was 6:00 in the morning. I was taken a little off  
17 guard, sir.

18 Q. I'm talking about the interview on November 28, 2017. Do  
19 you remember that interview?

20 A. Not specifically.

21 Q. Let me see if I can refresh your recollection.

22 MR. SCHOEMAN: I would like to show just the witness  
23 what's been marked for identification as 3504-1, 037. Show him  
24 the whole thing so he sees what it is.

25 A. Yes.

L76MCAL4

Raico - Cross

1 Q. Does this refresh your recollection that you were  
2 interviewed by a prosecution team in November of 2017?

3 A. Yes.

4 Q. That was not the interview by the FBI at 6:00 in the  
5 morning, right?

6 A. Yes.

7 Q. At that interview you did not disclose that you worked at  
8 Contour Mortgage?

9 A. I believe I didn't.

10 Q. I'm sorry. Say it again.

11 A. I guess I didn't.

12 Q. And the reason that you didn't disclose it is that there  
13 was actually a judgment against you from Contour Mortgage at  
14 that time, right?

15 A. At that time. I am not sure.

16 Q. There is a \$69,000 judgment against you from Contour  
17 Mortgage, right?

18 A. I don't have a judgment that I have seen for \$69,000 from  
19 Contour Mortgage.

20 Q. Let me show you Defense Exhibit 641 for identification  
21 only.

22 MR. SCHOEMAN: I am just going to show him the first  
23 page.

24 Q. I am going to ask you whether that refreshes your  
25 recollection.

L76MCAL4

Raico - Cross

1 A. I was hired by Contour Mortgage for one position. They  
2 actually gave me a different position. And there has been zero  
3 action on this since 2014.

4 Q. The point is, Mr. Raico, there is a judgment against you  
5 for \$69,000 from Contour Mortgage, right?

6 A. I don't see them making an attempt to collect it.

7 Q. I'm just asking whether there is a judgment.

8 A. According to the document that you just showed me, it looks  
9 like there is.

10 Q. I'm just asking you, isn't it true that you worked at  
11 Contour Mortgage, right?

12 A. Briefly, yes.

13 Q. And they sued you, right?

14 A. Yes.

15 Q. And they got a judgment of some amount against you.

16 A. It looks that way.

17 Q. And Contour Mortgage is one of the places you worked and  
18 you left out of your job history when you were interviewed by  
19 the government on November 28.

20 A. I believe so.

21 Q. Another one that you didn't mention when you were asked  
22 about it by the government in November 2017 is E Mortgage  
23 Management. Do you remember that one?

24 A. Yes.

25 Q. Did you work there?

L76MCAL4

Raico - Cross

1 A. I did.

2 Q. Did you not mention that one to the government?

3 A. I neglected to mention EMM.

4 Q. Is that because you were fired from EMM?

5 A. They actually shut down their retail division, and we  
6 parted amicably.

7 Q. By amicably, did you mean to say that they actually put out  
8 a press release that very day making public that you were  
9 separated immediately from them? Is that what you meant by  
10 amicably?

11 A. I walked away, and they were not happy with that.

12 Q. You remember that they put out a press release saying  
13 effectively immediately Dennis Raico does not work here?

14 A. I do recall that, yes.

15 Q. And that was E Mortgage Management?

16 A. Yes.

17 Q. That's one that you didn't mention to the government?

18 A. Yes.

19 Q. Mr. Raico, you worked, as we just established, 20 years in  
20 the mortgage industry, right?

21 A. Yes.

22 Q. And you are familiar with the obligations of loan officers?

23 A. Say that again.

24 Q. You are familiar with the obligations of loan officers,  
25 correct?

L76MCAL4

Raico - Cross

1 A. Yes.

2 Q. For example, the Federal Savings Bank had a loan policy  
3 that spelled out the obligations of loan officers, right?

4 A. I believe so.

5 MR. SCHOEMAN: It's in evidence. Just briefly,  
6 Government Exhibit 652. We will just look at the second page  
7 of that so we see what it is. That's not it. Government  
8 Exhibit 452. That's what it is. The Federal Savings Bank loan  
9 policy.

10 Q. You see that?

11 A. Yes.

12 Q. That's the version approved on January 13, 2016.

13 MR. SCHOEMAN: If we could go to page 5 of the  
14 document, please.

15 Q. Would you read the first sentence of the second paragraph.

16 A. The loan officer is also responsible for documenting and  
17 maintaining the appropriate records for each credit  
18 application.

19 Q. Let's look at page 6, behalf 3. What does that say?

20 A. Credit and legal file documentation is the responsibility  
21 of the borrower's loan officer.

22 Q. Let's look at page 15, Section 3.2, fourth paragraph, each  
23 loan officer. Could you read the first sentence.

24 A. Each loan officer has the responsibility to ensure that all  
25 information required for sound lending decisions is obtained



L76MCAL4

Raico - Cross

1 and thoroughly analyzed.

2 Q. But you're the loan officer, right?

3 A. Correct.

4 Q. Let's look at page 25, Section 4.1. Let's look at  
5 paragraph 2. I'll read this one. How about the second  
6 sentence: It is the loan officer's responsibility to  
7 accurately communicate an approved transaction to the loan  
8 administration department or the approved counsel. The  
9 completeness, accuracy, and proper execution of the documents  
10 is the responsibility of the loan officer. Right?

11 A. Yes.

12 Q. Those are all part of the policy for loan officers at the  
13 Federal Savings Bank when you worked there, right?

14 A. Yes.

15 Q. Now, Mr. Raico, isn't it true that you have previously  
16 testified under oath that you've played no role in actually  
17 reviewing documents related to the Manafort loans. Did you  
18 testify to that?

19 A. I may have.

20 Q. And that was not true?

21 A. I briefly reviewed some of the documentation on the loans  
22 for Manafort. They were portfolio loans which were handled a  
23 little bit differently, as far as credit was concerned, in  
24 Chicago.

25 Q. But just backing up a step, you do recall that on a prior

L76MCAL4

Raico - Cross

1 occasion, under oath, you testified in a jury that you did not  
2 play any role in actually reviewing the documents with respect  
3 to the Manafort loans?

4 A. I believe so.

5 Q. And you had immunity there, right?

6 A. I believe so.

7 Q. The only thing that could get you in trouble was perjury,  
8 right?

9 A. Yes.

10 Q. And you committed perjury. Did you commit perjury when you  
11 appeared in front of a jury and said under oath -- you were  
12 asked this question: Did you play any role in actually  
13 reviewing those documents and you said no. Were you asked that  
14 question? Did you give that answer?

15 A. I don't believe I committed perjury.

16 Q. Were you asked that question and did you give that answer?

17 A. Can you say that again, sir.

18 Q. Were you asked, did you play any role in actually reviewing  
19 those documents, referring to the Manafort loan documents, and  
20 you said no.

21 A. That may have been my answer, yes.

22 Q. But you did have a role in reviewing the Manafort loan  
23 documents?

24 A. Somewhat.

25 Q. Like you got Mr. Manafort's UBS statement, right?

L76MCAL4

Raico - Cross

1 A. Yes, I did.

2 Q. And you saw from the UBS statement that Mr. Manafort  
3 actually had -- he had liabilities that reduced the amount of  
4 liquidity that he had available, right?

5 A. Yes. Which I called to the attention of Chicago.

6 Q. But you reviewed that and you saw that?

7 A. I looked at the document and I saw there was a margin  
8 account.

9 Q. Not true that you didn't review the document. You looked  
10 at it and you saw it?

11 A. I didn't review it early, but I definitely took a quick  
12 look at it.

13 Q. You saw Mr. Manafort's credit report?

14 A. Yes. The one that was provided to me.

15 Q. You saw at one point that his credit had gone down, right?

16 A. I believe so, yes.

17 Q. You reviewed the credit report even though you testified  
18 under oath that you didn't review documents?

19 A. I looked at the credit score.

20 MR. SCHOEMAN: Let's put up Government Exhibit 110.

21 Q. The top e-mail, is that the e-mail you sent after you  
22 looked at the credit report?

23 A. Yes. I'm commenting on the credit scores.

24 Q. No doubt about it, you looked at the documents?

25 A. Again, I looked at the credit score.

L76MCAL4

Raico - Cross

1 Q. It made an impression on you?

2 A. I commented on it, yes.

3 Q. By the way, this related to the American Express bill,  
4 right?

5 A. I don't know specifically.

6 Q. You remember that Mr. Manafort's credit score went down  
7 because he had an unpaid American Express bill?

8 A. Yes.

9 Q. Then you remember that he provided proof that it was paid?

10 A. I believe so.

11 Q. You reviewed a lot of documents that came in from  
12 Mr. Manafort, right?

13 A. I took a look at them.

14 Q. Mr. Raico, isn't it true that after reviewing documents  
15 that you presented the Manafort loan to Mr. Calk without  
16 sharing with him all of the issues and problems that you were  
17 seeing?

18 A. No. I believe Mr. Calk was well aware of the problems that  
19 were servicing with the Manafort files.

20 Q. Let me show you Government Exhibit 163. You see, sir, that  
21 that's an e-mail from you to Mr. Calk on September 26, 2016.  
22 You see that?

23 A. Yes.

24 Q. The subject is Manafort Yohai most recent update. You see  
25 that?

L76MCAL4

Raico - Cross

1 A. Yes.

2 Q. Right. At this period of time the loan that's under  
3 consideration is the Nottingham loan, the 2401 Nottingham loan?

4 A. I believe so.

5 Q. Which is the loan that never happened?

6 A. Correct.

7 Q. But you see in this e-mail that you listed three concerns.  
8 You see: Concern, mechanic's lien from former GC on title?

9 A. I see that.

10 Q. You see: Concern, appraisal on Virginia property came in  
11 at 2.7?

12 A. I see that.

13 Q. And concern appraisal number 1 when the subject property  
14 came in at 6 million. You see that?

15 A. I do.

16 Q. Those are the concerns that you shared with Mr. Calk,  
17 correct?

18 A. At that moment, yes.

19 Q. It says underneath, two lines down: TFSB requests  
20 additional costs of \$20 million Hamptons property with 1003 in  
21 file indicating free and clear. Do you see that?

22 A. Yes.

23 Q. You see at the bottom you wrote: I believe that  
24 included -- that I included all intrinsic details. Please let  
25 me know if you have any further questions or concerns. You see

L76MCAL4

Raico - Cross

1 that?

2 A. I do.

3 Q. You did not say anything in this e-mail about defaults or  
4 foreclosures on any properties, right?

5 A. I don't see that difference.

6 Q. You didn't say anything in this e-mail about overdue Amex  
7 balances, right?

8 A. Not in this e-mail.

9 Q. You didn't say anything in this e-mail about  
10 inconsistencies in Mr. Manafort's documentation, right?

11 A. Not in this e-mail.

12 Q. Or any concerns about the status of Jeff Yohai as a  
13 borrower, right?

14 A. Not in this particular e-mail.

15 Q. You wrote: I believe that I included all intrinsic  
16 details. Please let me know if you have any further questions  
17 or concerns, right?

18 A. I did.

19 Q. It was your job as the loan officer to raise all questions  
20 and concerns based on the policy, right?

21 A. I believe those concerns were already raised.

22 Q. By the way, you write: I just watched your CNBC interview  
23 with Maria Bartholomew. Phenomenal. Was that true?

24 A. It was. He's a very good speaker.

25 Q. Mr. Raico, you systematically manipulated the appraisals

L76MCAL4

Raico - Cross

1 that were obtained for the different Manafort properties that  
2 were under consideration, right?

3 A. No, not necessarily.

4 Q. One of the conditions for the Nottingham loan was that you  
5 get an appraisal for the Nottingham property of 8.25 million.  
6 Do you remember that?

7 A. I don't remember that.

8 Q. It's in evidence. Let me show you Government Exhibit 108.  
9 You see that in Mr. Ubarri's e-mail of July 28, where he says  
10 the credit committee approved this loan subject to  
11 underwriting, it says, need an as-completed appraisal with a  
12 minimal value of 8.25 million. You see that?

13 A. I see that, yes.

14 Q. So what that says is is that the credit committee required  
15 that the property at 2401 Nottingham be appraised as worth at  
16 least 8.25 million at completion, right?

17 A. That's what it says, yes.

18 Q. The first appraisal that you ordered was being permitted by  
19 someone named Steve Lococo. You remember that?

20 A. I don't know a Steve Lococo.

21 Q. Do you remember speaking with a Steve Lococo and he told  
22 you that the appraisal was going to come in low?

23 A. Not specifically.

24 Q. Isn't it a fact that you told Mr. Lococo not to continue  
25 with the appraisal? Isn't that true? Did you do that?

L76MCAL4

Raico - Cross

1 A. I don't know.

2 Q. Didn't you tell Ms. Ivakhnik, who worked for you, not to  
3 tell Mr. Brennan that there had been an appraisal that was  
4 going to come in low? Didn't you tell Ms. Ivakhnik that?

5 A. I may have, and there was another appraisal on its way.

6 Q. There was a low appraisal and you told her, we are not  
7 going to tell the underwriting department about this one,  
8 right?

9 A. I may have said hold on, because we were getting a newer  
10 appraisal with updated comparables.

11 Q. You got an appraisal that came in -- withdrawn.

12 Ms. Ivakhnik ordered another appraisal for you?

13 A. I am not sure specifically.

14 Q. Somebody ordered an appraisal for the Nottingham property,  
15 right?

16 A. OK.

17 Q. Yes, no?

18 A. I don't remember specifically. Somebody.

19 Q. Do you remember that the first appraisal we just saw came  
20 in at \$6 million?

21 A. Yes.

22 Q. That \$6 million is \$2.25 million less than what the credit  
23 committee required?

24 A. Correct.

25 Q. And you needed an appraisal that showed that the property



L76MCAL4

Raico - Cross

1 was worth more than \$6 million, right?

2 A. I believe so.

3 Q. Now, you are supposed to get appraisals through an approved  
4 appraisal management company, right?

5 A. Correct.

6 Q. Like Nadlan, right?

7 A. OK.

8 Q. Isn't that where Sam Heskell works?

9 A. Yes.

10 Q. That's an approved appraisal management company, right?

11 A. It is.

12 Q. But you needed an appraisal that was going to show that the  
13 California property was worth approximately \$8.25 million,  
14 right?

15 A. Yes.

16 Q. And you didn't get that appraisal from an approved  
17 appraisal management company. You got it from Felix Katz,  
18 right?

19 A. I don't remember.

20 Q. Let me show you what's in evidence, Defense Exhibit 157.

21 Do you see that this is an e-mail sent to you by Felix Katz at  
22 the top on September 18?

23 A. Yes.

24 Q. Felix Katz was the mortgage broker who referred Manafort to  
25 you, right?

L76MCAL4

Raico - Cross

1 A. Correct.

2 Q. He is not himself an appraiser?

3 A. Correct.

4 Q. He forwarded to you an appraisal from someone named Cameron  
5 Calabrese. You see that?

6 A. Yes.

7 Q. You realized, didn't you, that Calabrese Appraisal -- you  
8 see in his e-mail address it says Calabrese Appraisal?

9 A. Yes.

10 Q. You realized that Calabrese Appraisal was on your  
11 do-not-use list. Is that true?

12 A. I don't remember that.

13 Q. Let me show you for identification Defense Exhibit 811.  
14 Let's go to the middle e-mail that says -- let's get that whole  
15 e-mail. Let's go further down. I'm sorry.

16 Do you see that on this e-mail, September 19, 2016 at  
17 12:47, that's you writing an e-mail. You see that?

18 A. I do.

19 Q. You write -- I'm sorry. It's not in evidence yet.

20 Isn't it true, Mr. Raico, that you learned that  
21 Calabrese's appraisal was on the do-not-use list?

22 A. That's what this e-mail looks like, yes.

23 Q. I'm just asking you whether you remember learning it.

24 A. I don't remember, no.

25 MR. SCHOEMAN: Defense offers Defense Exhibit 811.

L76MCAL4

Raico - Cross

1 MR. MONTELEONI: No objection.

2 THE COURT: It's admitted.

3 (Defendant's Exhibit 811 received in evidence)

4 MR. SCHOEMAN: We can all see it now.

5 Q. You see that this is an e-mail on September 19 from you?

6 You see that?

7 A. I do.

8 Q. You write: There is a slight problem with the appraisal  
9 firm. They appear to be on the do-not-use list with several  
10 investors. Do you see that?

11 A. Yes.

12 Q. That said, we are looking to see if we can work around that  
13 hurdle, right?

14 A. Yes.

15 Q. So the do-not-use list was a list of appraisers that you  
16 were not supposed to use, right?

17 A. Yes.

18 Q. And you concealed from Mr. Brennan that the appraisal that  
19 you got from Mr. Katz came from Calabrese Appraisals, right?

20 A. I am not sure --

21 Q. You made it look like the appraisal that you got from  
22 Mr. Katz came from Nadlan, which was an approved appraisal  
23 management company. Isn't that what you did?

24 A. I don't recall doing that.

25 Q. Let me show you what's in evidence as Defense Exhibit 192.

L76MCAL4

Raico - Cross

1 Let's look at the whole page for a second.

2 You see that on the bottom of the page is an e-mail  
3 from Sam Heskell at Nadlan to you. You see that?

4 A. I see that, yes.

5 Q. Let's look at the whole thing. You forwarded it to Mr.  
6 Brennan and you say: Attached are the two appraisals for 2401  
7 Nottingham. You see that?

8 A. I do.

9 Q. And you attached both appraisals there to the e-mail you  
10 forwarded from Mr. Heskell, right?

11 A. I'm sorry. Can you scroll up.

12 Q. Right.

13 The e-mail to Mr. Brennan includes two appraisals  
14 from -- two appraisals. You see that?

15 A. Two appraisals, correct.

16 Q. Now, the original e-mail that you got from Mr. Heskell did  
17 not include both of those appraisals, right?

18 A. Can you scroll back down again.

19 Q. You see that?

20 A. Yes.

21 Q. Let me show you what's in evidence as Defense Exhibit 158.  
22 You see you would have an e-mail exchange at the bottom with  
23 Mr. Heskell. Did you receive this appraisal on Nottingham? And  
24 he sent you back the 2401 Nottingham avenue appraisal. You see  
25 that?

L76MCAL4

Raico - Cross

1 A. Yes.

2 MR. SCHOEMAN: Let's show that side by side with the  
3 previous exhibit, 192. Show the whole document.

4 Q. On the right you forwarded Mr. Heskell's e-mail, which had  
5 only attached one e-mail, one appraisal. But when you sent it  
6 to Mr. Brennan, you said attached are the two appraisals. Do  
7 you see that?

8 A. I don't think I said they were both from Mr. Heskell.

9 Q. One of those appraisals you got from Felix Katz, right?

10 A. OK.

11 Q. We just looked at that, right?

12 A. Yes.

13 Q. And Mr. Katz got it from Calabrese Appraisals that were on  
14 the do-not-use list, right?

15 A. Correct.

16 Q. By sending it to Mr. Brennan this way, you did not  
17 communicate that one of these appraisals, the higher one, came  
18 from Mr. Katz from Mr. Calabrese, who was on the do-not-use  
19 list.

20 A. I may have not have mentioned it came from Mr. Katz. The  
21 only way I knew this was on a do-not-use list was if Chicago  
22 told me.

23 Q. There is no e-mail, is there?

24 A. I had multiple conversations with Chicago, hundreds  
25 throughout these loans.

L76MCAL4

Raico - Cross

1 Q. My question is just, did you take an appraisal that didn't  
2 come from Mr. Heskell, add it to the e-mail chain, delete the  
3 bottom of your chain, and forward it to Mr. Brennan?

4 A. I forwarded two e-mails to Mr. Brennan.

5 Q. But you cut off the bottom.

6 By the way, Defense Exhibit 192, does that have a  
7 second page?

8 A. No.

9 Q. And 158, there was a string before that and you took that  
10 out and forwarded Mr. Heskell's and you attached two appraisals,  
11 right?

12 A. Yes.

13 Q. Now, the next property for the second loan was based on the  
14 value of the Jobs Lane property out in the Hamptons, right?

15 A. Correct.

16 Q. And that was the appraisal that was subject to the e-mail  
17 that we looked at when I first started asking questions about  
18 whether Ms. Ivakhnik had mishandled the appraisal.

19 A. Right.

20 Q. That was Defense Exhibit 175 that we talked about earlier,  
21 right?

22 A. Yes.

23 Q. In fact, what happened is that you received one appraisal  
24 you got -- the first appraisal you got for the Hampton property  
25 came in at 13.5 million, right?

L76MCAL4

Raico - Cross

1 A. Correct.

2 Q. You got a second appraisal and it was only 7.2 million,  
3 correct?

4 A. Yes.

5 Q. You had 13.5 and 7.2, right?

6 A. Yes.

7 Q. That made a big impression on you, the difference in the  
8 value?

9 A. Very big discrepancy.

10 Q. So you had a conversation with Sam Heskell about that?

11 A. Several, yes.

12 Q. You needed two appraisals to close the loan, right?

13 A. Yes.

14 Q. And you needed the value to be a lot more than 7.2 million?

15 A. You needed the average, yes.

16 Q. You didn't provide the \$7.2 million appraisal to Mr.

17 Brennan because that would have reduced the average too low?

18 A. And we knew we had another appraisal on the way with newer  
19 accounts that would be more accurate.

20 Q. It wasn't a new appraisal; it was a field review, right?

21 A. I was told it was a newer appraisal, yes.

22 Q. It was a field review.

23 A. OK.

24 Q. Wasn't it?

25 A. I believe so.

L76MCAL4

Raico - Cross

1 Q. Field review is less rigorous than a full appraisal, right?

2 A. I believe so.

3 Q. Now, we looked at this earlier. You told the underwriters  
4 that the problem was that Ms. Ivakhnik had failed to order the  
5 appraisal, right?

6 A. Yes.

7 Q. What you did to order the field review is asked  
8 Ms. Cholakis to order it. She had replaced Ms. Ivakhnik as  
9 your assistant, right?

10 A. Yes.

11 Q. Let me show you what's in evidence as Defense Exhibit 176,  
12 Defense Exhibit 1176 in evidence. You see that that's an  
13 e-mail from Cody Weinberg to you that says, please have your  
14 processor place the order for the field review. You see that?

15 A. I do.

16 Q. And that was the forwarding -- that was on an e-mail  
17 chain --

18 MR. SCHOEMAN: Can we look at the next e-mail on the  
19 chain.

20 Q. That was on a document that -- an e-mail that came from  
21 Nadlan Appraisals that specifically identified that you had two  
22 appraisals, right?

23 A. Yes.

24 MR. SCHOEMAN: So now let's look at Defense Exhibit  
25 177. Side by side with 176 would be great. Let's go to page 4



L76MCAL4

Raico - Cross

1 of 177, defense exhibit, in evidence. I think maybe one more  
2 page. Yes.

3 Q. Do you see that on Defense Exhibit 177 where Mr. Weinberg  
4 says: Hi, Dennis. Please have your processor place the order  
5 for the field review. You see that?

6 A. I do.

7 Q. That is the same e-mail that is on the top of Defense  
8 Exhibit 176, right?

9 A. OK.

10 MR. SCHOEMAN: Let's get rid of the enlargements.

11 Q. On Defense Exhibit 176, immediately following the e-mail is  
12 the one that said, hey, we have already got two appraisals,  
13 right? 176, the second e-mail down.

14 A. Oh, yes.

15 Q. But when you forwarded Cody Weinberg's e-mail to your  
16 assistant, you deleted that.

17 A. That appears not to be in here.

18 Q. So that Ms. Cholakis would not see, hey, we actually  
19 already have two appraisals.

20 A. Ms. Cholakis was my assistant. She knew we had two  
21 appraisals.

22 Q. You deleted what you sent to Ms. Cholakis, right?

23 A. It looks that way.

24 Q. And you blamed Ms. Ivakhnik for not having the second  
25 appraisal?

L76MCAL4

Raico - Cross

1 A. I believe I did.

2 THE COURT: When we get to a break in the questioning,  
3 it would be a good time for a break for the jury.

4 MR. SCHOEMAN: Right now is great, your Honor.

5 THE COURT: Take our afternoon break.

6 (Jury not present)

7 THE COURT: Anything we need to deal with?

8 (Continued on next page)

L76Qcal5

Raico - Cross

1 (Jury present)

2 BY MR. SCHOEMAN: (Continued)

3 Q. Mr. Raico, one more question about appraisals -- a few  
4 questions about appraisals.

5 For the last loan, the Union Street loan, you also  
6 needed appraisals, right?

7 A. Yes.

8 Q. And is what happened that you ordered an as-is appraisal  
9 that came in low, and you instructed your assistant to take it  
10 out of the file?

11 A. I don't recall doing that.

12 Q. Well, do you recall instructing your assistant to order an  
13 as-is appraisal?

14 A. Yes.

15 Q. And do you recall receiving an as-is appraisal?

16 A. I believe so.

17 Q. And then after you received the as-is appraisal, did you  
18 tell Ms. Cholakakis to take it out of the file?

19 A. I don't believe so.

20 Q. Let me show what's been marked for identification as  
21 Defense Exhibit 891. In the first bullet point, this is just  
22 for identification, didn't you tell Ms. Cholakakis, "I need  
23 whatever appraisal is in the file to be taken out"? Just take  
24 it down.

25 Mr. Raico, do you remember that you ordered an as-is

L76Qcal5

Raico - Cross

1 appraisal, and you told your assistant to take it out of the  
2 file?

3 A. That's what it looks like here.

4 Q. Did you do it or you didn't do it?

5 A. It appears that I did.

6 MR. SCHOEMAN: Defense offers Defense Exhibit 891.

7 MR. MONTELEONI: No objection.

8 THE COURT: It's admitted.

9 (Defendant's Exhibit 891 received in evidence)

10 Q. Then did you tell the underwriting department in Chicago  
11 later that you didn't have an as-is appraisal?

12 A. I might have.

13 Q. Okay. Let me ask you a quick question: Bank of the  
14 Internet, do you remember that Bank of the Internet was looking  
15 to potentially purchase the Summerbreeze loan, the \$9.5 million  
16 loan?

17 A. Yes.

18 Q. And you remember you had some back and forth with  
19 Ms. DiCola?

20 A. Yes.

21 Q. And you remember that ultimately Bank of the Internet told  
22 you that they would purchase the loan for the full amount  
23 \$9.5 million?

24 A. I don't recall the specifics.

25 Q. Let me show you what's in evidence as Defense Exhibit 183.

L76Qcal5

Raico - Cross

1 And it's in evidence -- let's just enlarge the: Is this the  
2 email from Bank of the Internet apprizing you that the loan had  
3 been approved in the full amount with no cash pledge?

4 A. That's what it looks like.

5 Q. I'll just show you the attachment so you see it. 183-A.

6 We can highlight at the top. So my question for you,  
7 Mr. Raico, you recall that after some back and forth with  
8 B of I, they told you that they would agree to purchase the  
9 full \$9.5 million loan?

10 A. I don't remember specifically.

11 Q. Is that what this means to you?

12 A. That's what this condition sheet looks like, yes.

13 Q. Mr. Raico, is it true that -- withdrawn.

14 You were first introduced to Manafort in approximately  
15 April of 2016, right?

16 A. That is correct.

17 Q. And at the time you were on the verge of personal  
18 bankruptcy, right?

19 A. I wouldn't say personal bankruptcy.

20 Q. Well, you were actually consulting with a bankruptcy lawyer  
21 about filing for bankruptcy, right?

22 A. I had done that, yes.

23 Q. And you were writing notes about it in the journals that we  
24 saw earlier?

25 A. Yes.

L76Qcal5

Raico - Cross

1 Q. So you had been on the phone with bankruptcy lawyers to --  
2 I don't want you to say what you said with the lawyers, but the  
3 topic was whether you -- whether to file for personal  
4 bankruptcy?

5 A. I had spoken with one bankruptcy attorney, yes.

6 Q. **And at that time, you had a debt to Connecticut Community**  
7 **Bank of over \$325,000?**

8 A. Yes.

9 Q. Because they had foreclosed on a loan a few years earlier?

10 A. Yes, on my ex-wife's house.

11 Q. Right, but you were on the hook for that, right?

12 A. Yes.

13 Q. You had a loan from Deutsche Bank of \$500,000, right?

14 A. Yes.

15 Q. And you were delinquent on that?

16 A. My ex-wife was delinquent on that.

17 Q. Right, but you owed Deutsche Bank \$500,000 plus, right?

18 A. Yes.

19 Q. That's in addition to the Connecticut 362,000, right?

20 A. 325,000, I believe.

21 Q. Plus interest, right?

22 A. Yes.

23 Q. And you also had a Contour Mortgage lawsuit with a judgment  
24 for \$69,000?

25 A. No, that wasn't a lawsuit. That was pending.

L76Qcal5

Raico - Cross

1 Q. It was, I'm sorry, I didn't hear you. Wasn't there a  
2 judgment in 2014 against you for \$69,000 from Contour Mortgage?

3 A. It appears that way, yes.

4 Q. And in this time period, did you also have your car  
5 repossessed?

6 A. I don't believe so.

7 Q. Do you have a bunch of other unpaid debts?

8 A. Some.

9 Q. Do you have a car loan from BMW Financial --

10 THE COURT: Speak into the microphone.

11 Q. Did you have a car loan with BMW Financial Services that  
12 was in repossession?

13 A. I don't believe so.

14 Q. Do you owe upwards of \$900,000 of debt at that time between  
15 the different bank loans and other things?

16 A. Approximately.

17 Q. When Manafort was presented to you, did you think that he  
18 might have \$120 million of loans to refinance with you?

19 A. When it was presented to me, there were quite a few  
20 properties that he was looking to have financed, yes.

21 Q. Maybe as much as \$120 million or more?

22 A. I don't recall the exact figure.

23 Q. Let me show you Defense Exhibit 133 in evidence. Is this  
24 an update from you to Robert Jones, your boss, on April 15,  
25 2016?

L76Qcal5

Raico - Cross

1 A. Correct.

2 Q. If we could highlight the fourth bullet point. Do you see  
3 that what you said to Mr. Jones, is it says, "They were dealing  
4 with a lender in California which holds approximately  
5 \$120 million in recent takeouts." Do you see that?

6 A. I do.

7 Q. "If this transaction goes as we anticipate, then we have an  
8 opportunity to refinance that portfolio as well as two new  
9 projects in Brooklyn." Do you see that?

10 A. I do.

11 Q. So Manafort as presented to you was the opportunity for  
12 maybe \$120 million of loans or more, right?

13 A. Possible.

14 Q. And if you had closed on loans like that, you would get a  
15 commission of one percent?

16 A. Yes, less expenses.

17 Q. So, 1.2 million less expenses, right?

18 A. Yes.

19 Q. And now, it was also at that time in the summer of 2016  
20 that you obtained a loan from Mr. Shabanets. Is that right?

21 A. Yes.

22 Q. And Mr. Shabanets was applying for a loan at the bank?

23 A. He was about to.

24 Q. And you got a loan of about \$35,000. Is that right?

25 A. Yes, prior to him making application to the bank.



L76Qcal5

Raico - Cross

1 Q. But that loan was outstanding when he was making  
2 application to the bank?

3 A. It was being paid.

4 Q. But it wasn't paid off?

5 A. It was being paid down.

6 Q. Isn't it true that in December you were desperately seeking  
7 more time because your finances were in disarray?

8 A. I may have.

9 Q. Well, do you remember writing about that in your notebook?

10 A. I could have.

11 Q. Let me show you what's been marked just for identification  
12 as Defense Exhibit 1000-20, which is an excerpt. And I draw  
13 your attention to the lower right. Maybe we could enlarge  
14 that. We could take that down. I'm just going to ask you  
15 whether that refreshes your recollection that in December 2016  
16 the loan was still outstanding?

17 A. Yes.

18 Q. And you were negotiating with a gentleman named Yon Yves?

19 A. Yes.

20 Q. And you told him that you desperately needed more time to  
21 repay the loan?

22 A. Yes.

23 Q. Because your finances were in a difficult spot?

24 A. Yes.

25 MR. MONTELEONI: Can we offer 1000-20 since he

L76Qcal5

Raico - Cross

1 testified to its content?

2 MR. SCHOEMAN: I was just refreshing his recollection.  
3 Your Honor, I was using it to refresh recollection. They can  
4 offer it if they want.

5 Q. Okay. So you took a loan from Mr. Shabanets at the same  
6 time you were trying to get him a \$10 million loan from the  
7 bank?

8 A. I took the loan prior to him making application to the  
9 bank.

10 Q. Yes, but it was pending at the time that you were -- you  
11 hadn't paid back the balance at the time you were trying to get  
12 him some money from Mr. Calk's bank?

13 A. I had not finished my obligation.

14 Q. In the many sessions that you had had with the government,  
15 did they ever ask you about that?

16 A. No.

17 Q. Did you ever volunteer it?

18 A. I -- no.

19 Q. I want to talk about your notebook. We saw earlier today  
20 some bound notebooks that you kept. Do you remember that?  
21 Yeah?

22 A. Yes. Yes, sir.

23 Q. And you said that you kept those in your briefcase usually,  
24 right?

25 A. Yes.

L76Qcal5

Raico - Cross

1 Q. And when you left The Federal Savings Bank, you kept them  
2 with you, right?

3 A. Yes.

4 Q. You did not turn those over to the bank?

5 A. They were both business and some personal notes.

6 Q. Right. And so they were continuously in your possession  
7 until you gave them to Special Agent Baccari a couple weeks  
8 ago?

9 A. That is correct.

10 Q. Prior to that, you had given -- you had provided to the  
11 prosecution a few pages of those notebooks. Is that right?

12 A. Correct.

13 Q. And in prior meetings and testimony, you had been referred  
14 to those selected pages, right?

15 A. Correct.

16 Q. But it was not until two weeks ago that the actual  
17 notebooks themselves were provided to the government?

18 A. Correct.

19 Q. And the copies that you had provided were just  
20 black-and-white copies, right?

21 A. Yes.

22 Q. And you were the one who selected what pages to give over,  
23 right?

24 A. I was asked to make pages of a certain period of time.

25 Q. And you were the one who selected which pages to turn over?

L76Qcal5

Raico - Cross

1 A. Yes, I believe so.

2 Q. And when you turned over the photocopy, you actually  
3 doctored the photocopies a little bit, didn't you?

4 A. I blanked out certain personal information.

5 Q. All right. Well, did you also doctor them by writing in  
6 some dates?

7 A. I'm sorry, sir?

8 Q. Did you doctor your notebook by writing in dates?

9 A. By putting in additional dates?

10 Q. Yes.

11 A. I don't believe so.

12 Q. Okay. I think this is already a Government Exhibit. Let  
13 me show you what's -- it is, I'm sorry, 51-1. Is this a color  
14 photocopy?

15 THE COURT: This is Government Exhibit 51-1 in  
16 evidence?

17 MR. SCHOEMAN: Yes, it is.

18 THE COURT: Okay.

19 Q. Is this the original -- is this a color copy of the  
20 original?

21 A. I don't know.

22 Q. Let me now take that down, and show you what's been marked  
23 for identification as 1000-5. Is this a photocopy of the same  
24 page of your journal but in the form you provided to the  
25 government a few years ago?

L76Qcal5

Raico - Cross

1 A. It looks like it, yes.

2 MR. SCHOEMAN: So I offer Defense Exhibit 1000-05.

3 MR. MONTELEONI: No objection.

4 THE COURT: Admitted.

5 (Defendant's Exhibit 1000-05 received in evidence)

6 Q. Could we put that up side by side with GX-51-1?

7 Do you see the Exhibit 1000-05 is the page on the  
8 right of Government Exhibit 51-1. Do you see that?

9 A. I do.

10 Q. Do you see on 1000-05 there's a date at the top?

11 A. Yes.

12 Q. But on 51-1 there's no date?

13 A. That was a continuation of August 3.

14 Q. So you wrote in the date?

15 A. I might have.

16 Q. And you then photocopied it as if it had the date on it and  
17 provided it to the government?

18 A. Okay.

19 Q. Did you do that?

20 A. I don't remember specifically.

21 Q. You didn't tell the government that the copy set that you  
22 originally provided had dates that didn't appear in the  
23 original, did you?

24 A. I'm not following you.

25 Q. Mr. Raico, Defense Exhibit 1000-05 has a date in the upper

L76Qcal5

Raico - Cross

1 left-hand corner, right?

2 A. It does.

3 Q. And Government Exhibit 51-1, same page, has no date on it,  
4 right?

5 A. That is true.

6 Q. And if somebody just received the 1000-05, the photocopy on  
7 the right, they would not know that you had written it in in  
8 your own handwriting and it wasn't in the original, right?

9 A. Okay.

10 Q. And you didn't tell anybody that you did that?

11 A. I don't remember doing it. Simply putting a date at the  
12 top of a page. I'm not following you.

13 Q. In response to a grand jury subpoena, you doctored your  
14 notebook by adding a date. Isn't that right?

15 A. I didn't doctor my notebook.

16 Q. You wrote in a date and then you produced it to the  
17 government that wasn't on the original?

18 A. I might have.

19 Q. Okay. You did that in other places as well, didn't you?

20 A. I'm not sure.

21 Q. Well, let me show you what's been marked for identification  
22 as Defense Exhibit 1000-18. Just for identification. I'm just  
23 going to ask you whether that date in the upper left-hand  
24 corner you wrote in?

25 A. I'm not sure.

L76Qcal5

Raico - Cross

1 THE COURT: Just for clarification, all the  
2 handwriting in this notebook is his, right?

3 MR. SCHOEMAN: Yes.

4 THE COURT: Do you want to clarify your question?

5 MR. SCHOEMAN: Well, I'm trying to -- I would like to  
6 offer this page in evidence, Defendant's Exhibit 1000-18.

7 THE COURT: Any objection?

8 MR. MONTELEONI: No, your Honor.

9 THE COURT: It's admitted.

10 (Defendant's Exhibit 1000-18 received in evidence)

11 Q. And then could I show you what's marked for identification  
12 what's marked for identification as Defense Exhibit 1000-19.

13 Let me ask you is 1000-19 also a photocopy of your  
14 notebook?

15 A. Yes.

16 MR. SCHOEMAN: So I offer Defense Exhibit 1000-18 and  
17 1000-19.

18 MR. MONTELEONI: No objection.

19 THE COURT: They're admitted.

20 (Defendant's Exhibit 1000-19 received in evidence)

21 Q. Now I'd like to display them side by side.

22 My question to you, sir, isn't it true -- is all of  
23 the handwriting on both of these pages your handwriting?

24 A. Yes.

25 Q. Isn't it true that you wrote in the date on the one on the

L76Qcal5

Raico - Cross

1 left 5/25/16 when you turned it over to the government the  
2 first time?

3 A. I could have, yes.

4 Q. And you didn't tell anybody that you did that?

5 A. Was I supposed to?

6 Q. I'm just asking whether you told them you wrote in a date  
7 on your notebook before you produced it?

8 A. If that was the date from the previous page, I'm sure I was  
9 just trying to make things easier.

10 Q. But there's no way you could tell because it's all in your  
11 handwriting, right?

12 A. Did you look at the page before?

13 Q. I'm not asking you that question, sir --

14 MR. MONTELEONI: We will offer the page before for the  
15 rule of completeness.

16 THE COURT: You can do that on redirect.

17 Q. I'm just saying, Mr. Raico, you got your notebook, you got  
18 a copy of your notebook, and the copy, the photocopy of your  
19 notebook has something different on it than the original,  
20 right?

21 A. The date.

22 Q. Yeah, and I'm asking whether you did that? Did you do it?

23 A. It appears like that's my handwriting.

24 Q. And did you tell anyone in the government in all the  
25 meetings that you had that you had done that?



L76Qcal5

Raico - Cross

1 A. I don't believe I did, sir.

2 Q. Okay. Now, you testified that you, I don't know, redacted  
3 or blocked out certain parts of pages when you produced the  
4 photocopies the first time?

5 A. Same that again, please?

6 Q. Did you testify a few minutes ago that when you produced  
7 the photocopies you redacted certain pages or blocked --  
8 covered up certain things?

9 A. It appears that I did on one or two occasions.

10 Q. And for what purpose?

11 A. Probably to make things easier.

12 Q. On who?

13 A. On the interpretation.

14 Q. Well, let me show you what's been marked for identification  
15 as Defense Exhibit 1000-16. Is that a page of the photocopy of  
16 your notebook as you originally produced it to the government?

17 A. I believe so.

18 MR. SCHOEMAN: I offer Defense Exhibit 1000-16.

19 MR. MONTELEONI: No objection.

20 THE COURT: It's admitted.

21 (Defendant's Exhibit 1000-16 received in evidence)

22 Q. Now, if you could take that down.

23 Would you show Defense Exhibit just for identification  
24 1000-17. Do you see that the left side of that is a color copy  
25 of the same thing that was in the previous exhibit?

L76Qcal5

Raico - Cross

1 A. They're both black-and-white copies.

2 Q. Yes. Do you see they're copies of the same page?

3 A. Yes.

4 MR. SCHOEMAN: I offer Defense Exhibit 1000-16 and  
5 1000-17.

6 MR. MONTELEONI: No objection.

7 THE COURT: They're admitted.

8 (Defendant's Exhibit 1000-17 received in evidence)

9 Q. On the right side of the screen is 1000-16, and it's kind  
10 got of a Post-It pad note on the bottom. Do you see that?

11 A. Yes.

12 Q. And is that what you meant by you covered up certain things  
13 to make it easier?

14 A. I covered up certain personal information.

15 Q. Okay. Let me now turn you to the other side of the screen  
16 1000-17. Do you see one of the things you covered up says,  
17 "According to Felix, Paul is paying all fees, and Jeff is  
18 wiring the PITI deposit today." Do you see that?

19 A. I do.

20 Q. And that relates to the Manafort loans that are discussed  
21 on the top of the page, right?

22 A. It does.

23 Q. And you covered it up?

24 A. Well, my intention was to cover up the Julia Long (ph),  
25 which was personal information.

L76Qcal5

Raico - Cross

1 Q. Cover up which?

2 A. Right below that, from Julia Long.

3 Q. Well, you covered up the whole bottom of the page so that  
4 when you produced it, it left out the part about Paul Manafort  
5 is paying all fees and Jeff is wiring PITI deposit today?

6 A. I'm sure that was a simple mistake.

7 Q. All right. Let's leave the 117 up on the left.

8 You have very good handwriting, Mr. Raico, don't you?

9 A. Most of the time.

10 Q. And you have nice spacing between the different entries  
11 that you wrote?

12 A. Not all the time.

13 Q. Well, let's look at, for example, Government Exhibit 151-1.  
14 Let's look at 151-2. Nice clean handwriting, right?

15 A. Yes.

16 Q. Nice spacing between the entries.

17 Now, we take that down.

18 Let me show you Defense Exhibit 1000-21. Is that a  
19 page of your notebook?

20 A. Yes.

21 MR. SCHOEMAN: I offer 1000-21.

22 MR. MONTELEONI: No objection.

23 THE COURT: Admitted.

24 (Defendant's Exhibit 1000-21 received in evidence)

25 Q. You see on the right side of the page, most of the entries

L76Qcal5

Raico - Cross

1 are in blue ink and then right in the middle there's one in  
2 black ink?

3 A. Yes.

4 Q. And that's the one for the meeting, the videoconference  
5 meeting about the Manafort loans, right?

6 A. Yes.

7 Q. Isn't it true, Mr. Raico, that you just inserted that after  
8 the fact?

9 A. After the meeting?

10 Q. I mean, months or years later.

11 A. No.

12 Q. No, you didn't? Well, it's in a different ink than what's  
13 on the page, right?

14 A. Same ink that's on the top of the page.

15 Q. Other than you, anyone know when you wrote either of those  
16 things?

17 A. I don't believe so.

18 Q. And you see how there's no spacing above the Wednesday, the  
19 27th one. Do you see that?

20 A. I do.

21 Q. And you see that the entry immediately below says, Friday,  
22 July 27. Do you see that?

23 A. I do.

24 Q. So you have one entry that says Wednesday, July 27, and  
25 then right underneath, it says Friday, July 27. Do you see

L76Qcal5

Raico - Cross

1 that?

2 A. It should be 29.

3 Q. Which could be a 29?

4 A. Friday.

5 Q. How could that be a 29?

6 A. I write small.

7 Q. Does it look identical to the 7 that's right above?

8 A. Close.

9 Q. Mr. Raico, is there any way that you would write Friday,  
10 the 27th right beneath an entry that said Wednesday the 27th?  
11 Is there any way that you would make that mistake?

12 A. Unless nothing happened on that Thursday, I would go  
13 directly from Wednesday to Friday.

14 Q. But, Mr. Raico, you know that two days of the week two days  
15 apart don't have the same date, right?

16 A. Right. But if I write very quickly, that almost looks like  
17 a 29 for Friday. It could.

18 Q. I'm sorry, that could be 29?

19 A. I write very small.

20 Q. Okay. You're drawing a 7 that looks like that, and you're  
21 saying that's how you make your nine?

22 THE COURT: Talk into the mic, please.

23 Q. I'm sorry, is that how you make your nines?

24 A. No.

25 Q. Clear that out. Let's go back to the full page.

L76Qcal5

Raico - Cross

1           Isn't it true that you wrote in the entry in different  
2 ink on Wednesday, the 27th sometime after the fact. Isn't that  
3 what happened?

4 A. Either that day or the next day.

5 Q. But there's no way that you would write, do you agree that  
6 you know that two days of the same week can't have the same  
7 date?

8 A. Again, I'm sure it's a simple mistake.

9 Q. Okay. Let's look at -- you testified -- let's look at  
10 51-2, Government Exhibit 51-2. And over here is the entry you  
11 testified about on direct, right?

12 A. Yes.

13 Q. And what you said is that that reflected that Steve called,  
14 asked you to ask Mr. Manafort to make Steve Calk secretary of  
15 the treasury?

16 A. No, Steve Calk had asked me to place a call to Mr. Manafort  
17 to see if he was up for the position of secretary of the  
18 treasury or secretary of HUD.

19 Q. And your testimony is that you were so uncomfortable by  
20 that, you did not do it?

21 A. I did not have that conversation with Mr. Manafort.

22 Q. You see where it says Trump executive council?

23 A. Yes.

24 Q. What is that?

25 A. A reference to either the Trump campaign, Trump

L76Qcal5

Raico - Cross

1 organization.

2 Q. But to be clear, Steve Calk was never on the Trump  
3 executive council, right?

4 A. I don't believe so.

5 Q. And secretary of the treasury -- well, you remember Steve  
6 Mnuchin became secretary of the treasury?

7 A. I do.

8 Q. And the only thing that we have as evidence that this means  
9 that Steve Calk asked you to ask Manafort is your testimony,  
10 right?

11 A. Yes.

12 Q. Because there's no call from you to Manafort where you  
13 actually do it?

14 A. That is correct.

15 Q. And at the time that you first told this to the government,  
16 you didn't have access to Mr. Calk's own telephone records,  
17 right?

18 A. No.

19 Q. So you didn't know that Mr. Calk was in regular contact  
20 with Mr. Manafort at the time?

21 A. Okay.

22 Q. Is it still your testimony what this means is that Steve  
23 Calk didn't want to talk to Paul Manafort and instead wanted a  
24 loan officer in New York to make the call. Is that your  
25 testimony?

L76Qcal5

Raico - Cross

1 A. That is my testimony. I was just as surprised as you are.

2 Q. Is that as truthful as everything else you've testified  
3 about?

4 A. That is one hundred percent truthful.

5 Q. As everything else you've testified about?

6 A. That is one hundred percent truthful.

7 Q. You admit, right, it would make no sense for Mr. Calk to  
8 ask you to do this?

9 A. I was confused about the request.

10 Q. Okay. Now, this page 51-2, this is one of the pages that  
11 you previously produced in photocopy form to the government,  
12 right?

13 A. I might have.

14 Q. And I am going to -- I'm going to take this down, and I'm  
15 going to show you Exhibit 1000-10 for identification. Is that  
16 the photocopy as you originally produced it?

17 A. I believe so.

18 MR. SCHOEMAN: I offer Defense Exhibit 1000-10.

19 MR. MONTELEONI: No objection.

20 THE COURT: Admitted.

21 (Defendant's Exhibit 1000-10 received in evidence)

22 Q. Can we display that side by side with the previous exhibit.  
23 You see that those are different copies of the same page?

24 A. Yes.

25 Q. But on the bottom of the one on the right 1000-10 is one of



L76Qcal5

Raico - Cross

1 your Post-It notes where you covered something up?

2 A. Yes.

3 Q. And we can see what you covered up from the version on the  
4 left, right?

5 A. Yes.

6 Q. Why did you cover that up?

7 A. Again, I was given a short period of time to make quite a  
8 few copies. I could have simply made a mistake.

9 Q. The part you covered up said, "Term sheet/portfolio  
10 provided to Paul and Bruce," right?

11 A. Yes.

12 Q. That's Paul Manafort and Bruce Baldinger, right?

13 A. Yes, Bruce I believe was his attorney.

14 Q. This is a note about the Manafort loans, right?

15 A. Yes.

16 Q. This isn't some personal thing that you were covering up,  
17 right?

18 A. No.

19 Q. This is the heart of what you knew the government wanted  
20 you to produce, right?

21 A. Part of it, yes.

22 Q. But this part you covered up, right?

23 A. Again, it appears like I made a mistake.

24 Q. And it says -- do you remember what this refers to? Take a  
25 look at it.

L76Qcal5

Raico - Cross

1 A. Not one hundred percent specifically.

2 Q. Well, looking at it, doesn't this indicate that  
3 Mr. Baldinger told you that he didn't want the \$60,000 in fees  
4 to be charged to Paul Manafort. Isn't that what the 60,000 is?

5 A. I don't know. Talking about an LLC here.

6 Q. Let's look at Defense Exhibit 172 in evidence. This is an  
7 email from Mr. Baldinger to you. "I just want to confirm our  
8 call of last evening. In that call you informed me that your  
9 bank has established a cost of \$60,000 representing the last  
10 transaction's counsel and title fees." Do you see that?

11 A. I do.

12 Q. You see that you got that on Saturday November 12, 2016?

13 A. Yes.

14 Q. And the day before that would be Friday November 11, right?

15 A. Yes.

16 Q. So, let's go back to 51-2, and that is what on the 11th you  
17 spoke to Mr. Baldinger about, right?

18 A. Yes.

19 Q. And he requested that you not charge the fees, and you told  
20 him we are charging the fees, right?

21 A. I believe so.

22 Q. And would you read the third line down that says, "Bruce,  
23 after stepping," would you read that?

24 A. "Bruce, after stepping out of the restaurant at 6:30 p.m.  
25 while others were working stated 'I will agree to it, and I

L76Qcal5

Raico - Cross

1 will remember it,' and hung up."

2 Q. That was a conversation you had with Bruce Baldinger,  
3 correct?

4 A. Correct.

5 Q. Mr. Manafort's lawyer, correct?

6 A. Correct.

7 Q. On the evening of November 11, right?

8 A. Yes.

9 Q. Where he was so mad about the fees, he said "I will agree  
10 to it, I will remember it and hung up," right?

11 A. Yes.

12 Q. And your testimony is on the same day that you infuriated  
13 Bruce Baldinger about 60,000 in fees, Mr. Calk asked you to  
14 talk to Manafort about becoming secretary of the treasury?

15 A. Yes.

16 Q. And you covered up this note so that no one would see that  
17 that had happened on the same day?

18 A. No, not intentionally.

19 Q. Did Anna Ivakhnik do it?

20 A. No.

21 Q. Anybody else do it?

22 A. No.

23 Q. All right. One more note, let's look at 51-4, Government  
24 Exhibit. Do you see that this was the exhibit that you talked  
25 about earlier that starts on Thursday 12/22/16. Do you see

L76Qcal5

Raico - Cross

1 that?

2 A. Yes.

3 Q. And if we turn -- is there a second page of this one? Oh,  
4 no, it's 51-5. You see in 51-5, this is the part that you  
5 testified about "Steve on Paul," right?

6 A. Yes.

7 Q. When you originally produced this, you produced two pages  
8 consecutively without something in between, right?

9 A. I don't remember.

10 Q. Didn't you tell the government a few weeks ago that you  
11 made a mistake and that this entry was not on December 22, but  
12 was actually on December 28. Didn't you do that?

13 A. I don't know. I don't remember. I don't remember the  
14 exact date.

15 Q. All right. Let's go -- let's look at Defense Exhibit  
16 1000-13 for identification just for the witness. And I hope  
17 that is two pages. Is that the photocopy that you originally  
18 produced to the government?

19 A. Yes.

20 Q. Want to stick with them? I'm going to offer 1000-13?

21 MR. MONTELEONI: No objection.

22 THE COURT: It's admitted.

23 (Defendant's Exhibit 1000-13 received in evidence)

24 Q. On this page, there's a date Thursday, December 22, 2016.  
25 Do you see that?

L76Qcal5

Raico - Cross

1 A. Yes.

2 Q. And you produced that to the government, and the following  
3 page?

4 A. Okay.

5 Q. Where it says, "Steve on Paul," do you see that?

6 A. I do.

7 Q. And you remember that you were interviewed by a team of  
8 government lawyers in 2017, and you said that these two pages  
9 were the same conversation. Didn't you do that?

10 A. I might have.

11 Q. Yeah. And then you looked at your notebook more recently,  
12 and you saw that in fact there's an intervening page. Isn't  
13 that what happened?

14 A. I can't tell. Can you show it to me again?

15 Q. Well, look at this, page 1 of this Exhibit, Thursday,  
16 12/22/16, and it's the left side of the page, right?

17 A. Correct.

18 Q. And if you turn to the next page, it's still the left side  
19 of the page, right?

20 A. Okay.

21 Q. And didn't you tell government investigators in November of  
22 2017 that these were part of the same conversation?

23 A. I could have.

24 Q. Okay. Now they're not part of the same conversation,  
25 right?

L76Qcal5

Raico - Cross

1 A. I don't know.

2 Q. Well, let's go look at 51-4, Government Exhibit. Do you  
3 see that on the left side in black ink, it has something that  
4 happened on December 22. Do you see that?

5 A. Yes.

6 Q. And below that is the first part of your conversation with  
7 Steve. It says, "Steve, we are doing 6.5 million." Do you see  
8 that?

9 A. Correct.

10 Q. And you testified earlier that the colon means that was  
11 something Steve said, right?

12 A. Yes.

13 Q. Now, can we look at -- now, you see that's in black ink,  
14 right? And then if we go -- I think we have to look at 51-5 is  
15 the right side of that page. We have to look at the second  
16 page of that. You're good, Mr. McCloud. Okay.

17 The "Steve on Paul" is not the next page, but the page  
18 after, and it's in a different ink, right.? It's in red ink?

19 A. On the following page, right.

20 Q. Yeah, it's on the following page, right?

21 A. Yes.

22 Q. And you told the government originally it was one  
23 conversation, but it's clearly not because it's two different  
24 things in two different inks?

25 A. Okay.

L76Qcal5

Raico - Cross

1 Q. All right? And you've now told the government that that  
2 "Steve on Paul" happened on December 28, 2016, right?

3 A. I don't remember the exact date, but if I'm following  
4 chronologically from my notebook, it would appear that it was  
5 on the 28th.

6 Q. Just looking at this now, okay, you got black ink on  
7 Thursday, the 22nd, and you got black ink on Tuesday, January 3  
8 on the right side. Do you see that?

9 A. Correct.

10 Q. Sorry, Friday, the 23rd, up here you got black ink, right?

11 A. Yes.

12 Q. And then there's something in red, right?

13 A. It was my son's birthday, which is probably why I switched  
14 to red.

15 Q. Other than your word, we have no idea when this actually  
16 happened, right?

17 A. I guess.

18 Q. And there's no -- you didn't previously produce the red ink  
19 version of it until you handed it to Agent Baccari two weeks  
20 ago, correct?

21 A. I believe when you make copies, it's just going to come out  
22 in one color.

23 Q. And isn't it true that there are no telephone calls between  
24 you and Mr. Calk between June 23 and January 1. There's no  
25 telephone calls, right?

L76Qcal5

Raico - Cross

1 A. I don't know, I don't have phone records.

2 Q. Right, you haven't seen phone records?

3 A. No.

4 Q. And there's no telephone calls between you and Greg  
5 Garrabrants between December 23 and January 1, right?

6 A. I don't know.

7 Q. So you have testified that what happened is that Mr. Calk  
8 said something to you that you thought was weird and wrote down  
9 and that he told you to call Garrabrants, right?

10 A. Yes.

11 Q. And there's no calls with Mr. Calk or Mr. Garrabrants at  
12 any time in that period. Is that true?

13 A. I don't know.

14 Q. All we have is your word that any of this happened. Is  
15 that right?

16 A. My word and my notebook.

17 MR. SCHOEMAN: No further questions.

18 THE COURT: I don't think we can start redirect today.

19 So, ladies and gentlemen, we are going to break for  
20 the evening. Same time and place tomorrow. Please don't talk  
21 about the case or read anything about it and we'll see you  
22 then.

23 (Jury not present)

24 THE COURT: Anything we need to talk about?

25 MR. MONTELEONI: Nothing from the government that has



L76Qcal5

Raico - Cross

1 to be dealt with now.

2 THE COURT: Thank you.

3 From the defense?

4 MR. SCHOEMAN: No, your Honor.

5 THE COURT: We're adjourned.

6 (Adjourned to July 8, 2021 at 9:45 a.m.)

## INDEX OF EXAMINATION

Examination of:	Page
-----------------	------

DENNIS RAICO

Direct By Mr. Monteleoni . . . 1011

Cross By Mr. Schoeman . . . 1048

## GOVERNMENT EXHIBITS

Exhibit No.	Received
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109, 187, 207, 210, 220, 238 and 243 . . . 1006

177 . . . 1006

1302 . . . 1009

857 and 857-A . . . 1129

## DEFENDANT EXHIBITS

Exhibit No.	Received
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Defense Exhibits 116, 118, 128, 130, . . . 1006

132, 143, 144, 168, 171, 171-A

and 171-B and 171-C, 175, 176,

177, 201, 205, 205-A, 212,

212-A, 221

818 . . . 1112

831 and 831-A . . . 1116

840 and 840-A . . . 1119

974 . . . 1130

978 . . . 1133

979 . . . 1134

862 and 862-A . . . 1135

1	980 and 981 . . . . .	.1137
2	811 . . . . .	.1158
3	891 . . . . .	.1167
4	1000-05 . . . . .	.1176
5	1000-18 . . . . .	.1178
6	1000-19 . . . . .	.1178
7	1000-16 . . . . .	.1180
8	1000-17 . . . . .	.1181
9	1000-21 . . . . .	.1182
10	1000-10 . . . . .	.1187
11	1000-13 . . . . .	.1191

12

13

14

15

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17

18

19

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